

Company Registration No. 02868027 (England and Wales)

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE  
(A PRIVATE COMPANY LIMITED BY GUARANTEE)  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2021**

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE  
(A PRIVATE COMPANY LIMITED BY GUARANTEE)  
COMPANY INFORMATION**

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<b>Directors</b>	J J Pledger P J N Mole P Martin R Stewart S M Fone
<b>Secretary</b>	P J N Mole
<b>Company number</b>	02868027
<b>Registered office</b>	19 Castle Street Reading Berkshire RG1 7SB
<b>Auditor</b>	Goringe Auditors Ltd Unit 5 Theale Lakes Business Park Moulden Way Sulhamstead Reading Berkshire RG7 4GB

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**THE COLLEGE OF INTEGRATED CHINESE MEDICINE  
(A PRIVATE COMPANY LIMITED BY GUARANTEE)  
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# **THE COLLEGE OF INTEGRATED CHINESE MEDICINE (A PRIVATE COMPANY LIMITED BY GUARANTEE) DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2021**

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## **Statement of Corporate Governance and Internal Control**

The following statement is provided to enable readers of the Financial Statements of the College of Integrated Chinese Medicine (the College) to obtain a better understanding of its governance and legal structure. This statement of Corporate Governance and Internal Control relates to the period from 1st December 2020 to 30th November 2021 and up to the date of approval of the audited financial statements.

### Constitution

The College was incorporated in 1993 as a company limited by guarantee. It is registered with the Office for Students (OfS) as a recognised Higher Education Provider and holds a validating partnership with the University College of Osteopathy (UCO) and previously with Kingston University for students enrolled before 2020. In accordance with its conditions of registration with the OfS, it upholds its required public interest principles: academic freedom, accountability, student engagement, academic governance, risk management, value for money, freedom of speech and 'fit and proper'.

### Summary of CICM's Structure of Corporate Governance

The Council is the College's governing body and is responsible for the strategic oversight of the College. The Council is responsible for the statutory oversight of the College to ensure that it meets the laws and regulations of a company limited by guarantee, the regulations of the regulator and awarding bodies and the expectations of its students and staff. The Council comprises of external members whose principal role is to bring independent expertise from a range of sectors and professional spheres and to hold, collectively, the Management Committee to account. The Management Committee comprise of the directors, namely the Principal, the Dean, the Academic Director, two non-executive directors (who are also members of the Council) and the Vice Principal (a non-director).

The College has the following governing documents:

- Committee structure and Terms of Reference
- Quality Assurance and Standards Document
- Business Plan
- Institutional Policy – mission statement, objectives and values
- Quality Assurance and standards Policy
- Contract with validating body
- Articles of Association

These set out that the day to day activities are run by the four executive members of the Management Committee with clear responsibilities for Staff Development, Student Welfare, Teaching and Learning and Quality Assurance among other areas. The Management Committee also sets the strategic direction of the College. The Council advises on all matters of the College and oversees the strategic decisions of the Management Committee. Standards are maintained by working closely with the Validating body and University/College Joint Executive Committee. The College is also bound by the requirements of the British Acupuncture Accreditation Board and specifically in their documents the Standards of Practice for Acupuncture (SPA) and the Standards of Education and Training for Acupuncture (SETA).

These arrangements are considered appropriate given the size and complexity of the College given we are a small college with no more than 200 students at any one time.

## **Statement of Internal Control**

This statement relates to the College's arrangements for the prevention and detection of corruption, fraud, bribery and other irregularities.

### Scope of responsibility

The Council, as the governing body of the College, is ultimately responsible for ensuring that a sound system of internal control is maintained and for reviewing its effectiveness. However, such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide a reasonable and not absolute assurance against material misstatement or loss.

# **THE COLLEGE OF INTEGRATED CHINESE MEDICINE (A PRIVATE COMPANY LIMITED BY GUARANTEE) DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2021**

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The system of internal control is based on an ongoing process designed to identify and prioritise the principal business, operational, compliance and financial risks, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The process was in place for the year ended 30th November 2020 and up to the date of the approval of the Financial Statements and accords with OfS guidance.

## The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Council and Management Committee
- Regular reviews by the Council of periodic and annual reports which indicate financial performance against budget/forecasts

## Review of effectiveness

The Head of Provider has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system if internal control is informed by:

- The work of the executive members of the Management Committee who have the responsibility for the development and maintenance of the internal control framework
- Comments made by the College's External Auditors in their reports

No significant internal control weaknesses or failures have been identified during the financial year or up to the date of approval of the financial statements.

Details of related party transactions involving members of Council or senior officers are disclosed in the notes to the Financial Statements. The external members of Council do not receive any payment for the work they do for the College, apart from reimbursement of expenses.

## Role of the auditor

External auditors inspect clients' accounting records and express an opinion as to whether financial statements are presented fairly in accordance with the applicable accounting standards of the entity, such as Generally Accepted Accounting Principles (GAAP). Their objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion. The College does not have formal internal audit arrangements and therefore does not have an internal auditor.

## **Confirmation of assessment of Principal Business Threats**

The College has continued to adapt to COVID-19 developments as they arise. The College has been closed during periods of Lockdown with online teaching and staff working from home. As COVID-19 restrictions have been lifted, much of the teaching has continued to be online with practical sessions face to face in College. Our staff also continue to work flexibly with many hybrid working.

The Management Committee have carefully considered the going concern of the College. Forecasts and cashflows have been prepared up to 30th November 2026 and these indicate the College has adequate cash and reserves to withstand any possible negative effects of COVID-19.

At present, the College continues to maintain student numbers and there has been a noticeable increase in new students enrolled since March 2020 which has been sustained to date. The forecasted budget for the year ended 30th November 2022 is expected to be a modest surplus and the College is expected to be able to meet its liabilities as they fall due.

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE  
(A PRIVATE COMPANY LIMITED BY GUARANTEE)  
DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2021**

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This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



.....  
Mr J J Pledger  
**Director**  
**Accountable Officer**  
Date: 4th April 2022 .....



.....  
Ms P Martin  
**Director**  
**Chair of Governing Body**  
Date: ...7th April 2022

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE  
(A PRIVATE COMPANY LIMITED BY GUARANTEE)  
DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 NOVEMBER 2021***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# **THE COLLEGE OF INTEGRATED CHINESE MEDICINE (A PRIVATE COMPANY LIMITED BY GUARANTEE) INDEPENDENT AUDITOR'S REPORT**

## **TO THE MEMBERS OF THE COLLEGE OF INTEGRATED CHINESE MEDICINE**

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### **Opinion**

We have audited the financial statements of The College of Integrated Chinese Medicine (the 'company') for the year ended 30 November 2021 which comprise the Income and Expenditure Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the requirements of the Office for Students' Accounts Direction (OFS 2019.41).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE  
(A PRIVATE COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF THE COLLEGE OF INTEGRATED CHINESE MEDICINE**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE  
(A PRIVATE COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF THE COLLEGE OF INTEGRATED CHINESE MEDICINE**

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**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the nature of the company's industry and its control environment. We discussed the directors' policies relating to fraud and compliance with laws and regulations, and their assessment of the risk of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in. The key laws and regulations we considered had a direct impact on the determination of material amounts and disclosures in the financial statements included the OFS requirements, UK Companies Act and tax legislation.

The audit team considered the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements. We considered the biggest opportunities for fraud lay with management override of controls.

Irregularities that arise from fraud are inherently more difficult to detect than those resulting from error. Given our responsibilities for the engagement, detection of those types of irregularity which give rise to a risk of material misstatement will be those that have a higher likelihood of detection.

In common with all audits under ISAs (UK), we are required to perform specific procedures to respond to the risk of fraud through management override. We performed the following procedures:

- testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- enquiring of the directors concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations.

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE  
(A PRIVATE COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF THE COLLEGE OF INTEGRATED CHINESE MEDICINE**

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A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

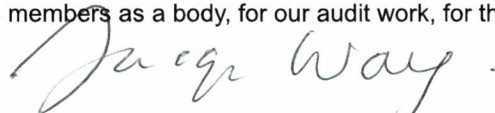
**Report on other regulatory requirements**

We have nothing to report in respect of the following matters where the OFS's Accounts Direction requires us to report to you if, in our opinion:

- The provider's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.

**Use of this report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Jacqueline Waring (Senior statutory auditor)  
for and on behalf of Goringe Auditors Limited  
Statutory Auditor**

5 Theale Lakes Business Park (1st Floor)  
Moulden Way  
Sulhamstead  
RG7 4GB

7/4/2022

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE  
(A PRIVATE COMPANY LIMITED BY GUARANTEE)  
INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 30 NOVEMBER 2021**

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	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Income</b>	1,330,770	1,141,573
Cost of sales	(591,714)	(553,532)
	<hr/>	<hr/>
<b>Gross surplus</b>	739,056	588,041
Administrative expenses	(646,548)	(604,785)
Other operating income	78,491	54,133
	<hr/>	<hr/>
<b>Operating surplus</b>	170,999	37,389
Interest receivable and similar income	35	460
Interest payable and similar expenses	(6,655)	(9,210)
	<hr/>	<hr/>
<b>Surplus before taxation</b>	164,379	28,639
Tax on surplus	(30,815)	(7,530)
	<hr/>	<hr/>
<b>Surplus for the financial year</b>	<u>133,564</u>	<u>21,109</u>

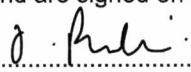
**THE COLLEGE OF INTEGRATED CHINESE MEDICINE  
(A PRIVATE COMPANY LIMITED BY GUARANTEE)  
BALANCE SHEET**


**AS AT 30 NOVEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	6		896,797		886,606
<b>Current assets</b>					
Stocks		3,145		3,145	
Debtors	7	665,873		626,794	
Cash at bank and in hand		432,304		357,760	
			1,101,322		987,699
<b>Creditors: amounts falling due within one year</b>	8	(1,082,306)		(986,036)	
<b>Net current assets</b>			19,016		1,663
<b>Total assets less current liabilities</b>			915,813		888,269
<b>Creditors: amounts falling due after more than one year</b>	9		(127,184)		(234,760)
<b>Provisions for liabilities</b>			(3,093)		(1,537)
<b>Net assets</b>			785,536		651,972
<b>Reserves</b>					
Income and expenditure account			785,536		651,972

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 7/4/2022 and are signed on its behalf by:

  
.....  
Mr J J Pledger  
**Director**  
**Accountable Officer**

  
.....  
Ms P Martin  
**Director**  
**Chair of Governing Body**

**Company Registration No. 02868027**

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE  
(A PRIVATE COMPANY LIMITED BY GUARANTEE)  
STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 NOVEMBER 2021**

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	<b>Income and expenditure £</b>
<b>Balance at 1 December 2019</b>	630,863
<b>Year ended 30 November 2020:</b>	
Profit and total comprehensive income for the year	21,109
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<b>Balance at 30 November 2020</b>	651,972
<b>Year ended 30 November 2021:</b>	
Profit and total comprehensive income for the year	133,564
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<b>Balance at 30 November 2021</b>	<u>785,536</u>

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE  
(A PRIVATE COMPANY LIMITED BY GUARANTEE)  
STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 NOVEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	13	225,682		83,289	
Interest paid		(6,655)		(9,210)	
Taxes paid		(8,205)		(8,205)	
<b>Net cash inflow from operating activities</b>		<u>210,822</u>		<u>65,874</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(30,138)		(3,882)	
Interest received		35		460	
<b>Net cash used in investing activities</b>		<u>(30,103)</u>		<u>(3,422)</u>	
<b>Financing activities</b>					
Repayment of bank loans		(106,175)		(24,955)	
<b>Net cash used in financing activities</b>		<u>(106,175)</u>		<u>(24,955)</u>	
<b>Net increase in cash and cash equivalents</b>		<u>74,544</u>		<u>37,497</u>	
Cash and cash equivalents at beginning of year		357,760		320,263	
<b>Cash and cash equivalents at end of year</b>		<u><u>432,304</u></u>		<u><u>357,760</u></u>	



**THE COLLEGE OF INTEGRATED CHINESE MEDICINE  
(A PRIVATE COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2021**

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**1 Accounting policies**

**Company information**

The College of Integrated Chinese Medicine is a private company limited by guarantee incorporated in England and Wales. The registered office is 19 Castle Street, Reading, Berkshire, RG1 7SB.

**1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set below.

**1.2 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of courses is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing the teaching days provided to date as a proportion of total teaching days. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

**1.3 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings freehold	2% straight line
Land	Not depreciated
Office furniture and fittings	33% reducing balance
Website	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE  
(A PRIVATE COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2021**

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**1 Accounting policies**

**(Continued)**

**1.4 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.5 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**1.6 Cash at bank and in hand**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.7 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**THE COLLEGE OF INTEGRATED CHINESE MEDICINE  
(A PRIVATE COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2021**

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**1 Accounting policies**

**(Continued)**

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**1.8 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

**1.9 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2021**

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**1 Accounting policies**

**(Continued)**

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.12 Leases**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

**1.13 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

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**2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**3 Grant & Fee Income**

	<b>2021</b>	<b>2020</b>
	£	£
<b>Total grant and fee income</b>		
Grant income from other bodies	2,113	4,989
Fee income for taught classes	1,256,016	1,055,322
Fee income from non-qualifying courses	74,755	81,062
	<u>1,332,884</u>	<u>1,141,373</u>

Grant income of £2,113 (2020 - £4,989) relates to income received under the government's Coronavirus Job Retention Scheme for employees furloughed under the Scheme.

**4 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 18 (2020 - 17).

No employee received a full-time equivalent basic salary of more than £100,000 in the current or prior year.

The provider has not paid any compensation for loss of office to any staff member.

**5 Directors' remuneration and dividends**

	<b>2021</b>	<b>2020</b>
	£	£
Remuneration paid to directors	<u>232,621</u>	<u>206,919</u>

Included within directors remuneration are fees amounting to £63,003 (2020- £48,353) in relation to teaching services and £9,096 (2020- £6,681) company pension contributions to defined contribution schemes.

Total emoluments payable to the highest paid Joint Principal, head of the College, were as follows:

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5 Directors' remuneration and dividends	(Continued)	
	2021 £	2020 £
Salary	79,660	83,806
Bonus awarded	16,000	-
Pension contributions	5,335	2,522
Salary sacrifice arrangements	(2,868)	-
Teaching services - self-employed	23,642	20,155
	<u>121,769</u>	<u>106,483</u>

A bonus was awarded to the head of the provider in relation to the year, which was paid in January 2022

The head of the provider's basic salary is 3.1 times (2020: 3.1 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The head of provider's total remuneration is 5.1 times (2020: 4.2 times) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider to its staff.

**Head of Provider - justification of remuneration**

The remuneration of the head of provider is now determined by the Remuneration Committee. All paid members of the Management Committee are currently paid at the same rate although there are no fixed hours, just an expectation to devote the appropriate number of hours to their College duties to fulfil their role. Therefore the head of provider's pay is based on the hours required rather than a fixed salary.

6 Tangible fixed assets	Land and buildings £	Plant and machinery etc £	Total £
<b>Cost</b>			
At 1 December 2020	1,093,800	142,826	1,236,626
Additions	15,466	14,672	30,138
At 30 November 2021	<u>1,109,266</u>	<u>157,498</u>	<u>1,266,764</u>
<b>Depreciation and impairment</b>			
At 1 December 2020	218,378	131,642	350,020
Depreciation charged in the year	12,909	7,038	19,947
At 30 November 2021	<u>231,287</u>	<u>138,680</u>	<u>369,967</u>
<b>Carrying amount</b>			
At 30 November 2021	<u>877,979</u>	<u>18,818</u>	<u>896,797</u>
At 30 November 2020	<u>875,422</u>	<u>11,184</u>	<u>886,606</u>

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<b>7 Debtors</b>	<b>2021</b>	<b>2020</b>
<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>
Trade debtors	623,369	569,753
Other debtors	42,504	57,041
	<u>665,873</u>	<u>626,794</u>

<b>8 Creditors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	22,576	21,175
Trade creditors	116,187	100,182
Other taxation and social security	40,433	15,192
Deferred income	801,349	753,852
Other creditors	1,703	1,997
Accruals	100,058	93,638
	<u>1,082,306</u>	<u>986,036</u>

The bank loans and overdraft totalling to £ 12,576 (2020- £ 21,175) are secured on the freehold premises.

<b>9 Creditors: amounts falling due after more than one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	127,184	234,760
	<u>127,184</u>	<u>234,760</u>

The bank loans and overdraft totalling £87,184 (2020 - £184,760) are secured on the freehold premises.

<b>Creditors which fall due after five years are as follows:</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Payable by instalments	35,894	105,923
	<u>35,894</u>	<u>105,923</u>

**10 Members' liability**

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £5.

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**11 Operating lease commitments**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2021	2020
£	£
886	2,921
<u>886</u>	<u>2,921</u>

**12 Related party transactions**

The directors received remuneration of £160,522 (2020 - £151,885) in the year. The directors also provided teaching services for which they received fees amounting to £63,003 (2020 - £48,353).

At the year-end £23,700 (2020 - £5,159) related to the payroll accrual for directors. Included in the creditors is £3,748 (2020 - £6,839) owed to the directors for teaching services.

**13 Cash generated from operations**

	2021	2020
	£	£
Surplus for the year after tax	133,564	21,109
<b>Adjustments for:</b>		
Taxation charged	30,815	7,530
Finance costs	6,655	9,210
Investment income	(35)	(460)
Depreciation and impairment of tangible fixed assets	19,947	19,034
<b>Movements in working capital:</b>		
(Increase) in stocks	-	(67)
(Increase) in debtors	(39,079)	(105,148)
Increase in creditors	26,318	9,344
Increase in deferred income	47,497	122,737
<b>Cash generated from operations</b>	<u>225,682</u>	<u>83,289</u>
Per cash flow statement page	<u>225,682</u>	<u>83,289</u>



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**14 Analysis of changes in net funds**

	<b>1 December 2020</b>	<b>Cash flows</b>	<b>30 November 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	357,760	74,544	432,304
Borrowings excluding overdrafts	(255,935)	106,175	(149,760)
	<u>101,825</u>	<u>180,719</u>	<u>282,544</u>