Company Registration No. 2868027 (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 2017

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

Directors	Dr J. R. Hicks Mrs A. S. Hicks Mr P. J. N. Mole Mr J. J. Pledger
Secretary	Mr P. J. N. Mole
Company number	2868027
Registered office	19 Castle Street Reading RG1 7SB
Auditor	Edwin Smith 32 Queens Road Reading Berkshire RG1 4AU

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

FOR THE YEAR ENDED 30 NOVEMBER 2017

The directors present their annual report and financial statements for the year ended 30 November 2017.

Principal activities

The principal activities of the company in the year under review were to provide education, promote and engage in investigation and research, encourage the progress of and improve standards of education and practice in the science and art of Acupuncture and Traditional Chinese Medicine.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Dr J. R. Hicks
Mrs A. S. Hicks
Mr P. J. N. Mole
Ms K. A. Proudfoot (Resigned 31 March 2018)
Mr J. J. Pledger

Auditor

The auditor, Edwin Smith, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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 profit or loss 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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 P. J. N. Mole
Director
7 June 2018

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

Opinion

We have audited the financial statements of The College of Integrated Chinese Medicine (the 'company') for the year ended 30 November 2017 which comprise the Statement of Income and Retained Earnings, the Statement Of Financial Position, 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 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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.

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.

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.

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.

Philip Nixon (Senior Statutory Auditor)
for and on behalf of Edwin Smith

19 June 2018

Chartered Accountants
Statutory Auditor

32 Queens Road
Reading
Berkshire
RG1 4AU

THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 NOVEMBER 2017

	Notes	2017 £	2016 £
Turnover		1,056,592	1,147,841
Cost of sales		(642,986)	(688,874)
Gross profit		413,606	458,967
Administrative expenses		(512,304)	(557,703)
Other operating income		73,848	71,393
Operating loss		(24,850)	(27,343)
Interest receivable and similar income		42	159
Interest payable and similar expenses		(11,911)	(12,616)
Loss before taxation		(36,719)	(39,800)
Tax on loss		4,423	5,431
Loss for the financial year		(32,296)	(34,369)
Retained earnings brought forward		521,207	555,576
Retained earnings carried forward		488,911	521,207

THE COLLEGE OF INTEGRATED CHINESE MEDICINE
(A PRIVATE COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	**3**		923,283		937,711
Current assets					
Stocks		4,527		3,130	
Debtors	**4**	481,416		460,641	
Cash at bank and in hand		331,172		372,782	
		817,115		836,553	
Creditors: amounts falling due within one year	**5**	(946,098)		(924,010)	
Net current liabilities			(128,983)		(87,457)
Total assets less current liabilities			794,300		850,254
Creditors: amounts falling due after more than one year	**6**		(305,389)		(329,047)
Net assets			488,911		521,207
Capital and reserves					
Profit and loss reserves			488,911		521,207

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 June 2018 and are signed on its behalf by:

Dr J. R. Hicks
Director

Mrs A. S. Hicks
Director

Mr P. J. N. Mole
Director

Mr J. J. Pledger
Director

Company Registration No. 2868027

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

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**9**		(3,284)		115,852
Interest paid			(11,911)		(12,616)
Taxes paid			-		(4,728)
Net cash (outflow)/inflow from operating activities			(15,195)		98,508
Investing activities					
Purchase of tangible fixed assets		(3,611)		(16,385)	
Interest received		42		159	
Net cash used in investing activities			(3,569)		(16,226)
Financing activities					
Repayment of bank loans		(22,846)		(22,061)	
Net cash used in financing activities			(22,846)		(22,061)
Net (decrease)/increase in cash and cash equivalents			(41,610)		60,221
Cash and cash equivalents at beginning of year			372,782		312,561
Cash and cash equivalents at end of year			331,172		372,782

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, 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 out below.

These financial statements for the year ended 30 November 2017 are the first financial statements of The College of Integrated Chinese Medicine prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 December 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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 professional services 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 costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

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
Office furniture and fittings	33% reducing balance
Website	20% straight line

1 Accounting policies **(Continued)**

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 profit or loss.

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 profit or loss, 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 profit or loss, 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 replacement cost and 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 at bank and in hand 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 Accounting policies **(Continued)**

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 statement of financial position 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.

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 direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

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 income statement 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.

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 income statement, 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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 22 (2016 - 26).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 December 2016	1,087,831	126,804	1,214,635
Additions	-	3,611	3,611
At 30 November 2017	1,087,831	130,415	1,218,246
Depreciation and impairment			
At 1 December 2016	168,220	108,704	276,924
Depreciation charged in the year	12,480	5,559	18,039
At 30 November 2017	180,700	114,263	294,963
Carrying amount			
At 30 November 2017	907,131	16,152	923,283
At 30 November 2016	919,611	18,100	937,711

4 Debtors

	2017	2016
Amounts falling due within one year:	£	£
Trade debtors	446,341	384,867
Other debtors	29,228	74,350
	475,569	459,217
Deferred tax asset	5,847	1,424
	481,416	460,641

5 Creditors: amounts falling due within one year

	Notes	2017	2016
		£	£
Bank loans and overdrafts		23,658	22,846
Trade creditors		79,799	83,966
Other taxation and social security		7,048	5,609
Deferred income		632,699	613,257
Other creditors		3,077	2,215
Accruals		199,817	196,117
		946,098	924,010

The bank loans and overdraft totalling £23,658 (2016 - £22,846) are secured on the freehold premises.

6 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Bank loans and overdrafts	305,389	329,047

The bank loans and overdraft totalling £305,389 (2016 - £329,047) are secured on the freehold premises.

Amounts included above which fall due after five years are as follows:

Payable by instalments	202,038	229,246

7 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:

	2017	2016
	£	£
	9,698	-

8 Related party transactions

The five directors are also partners in the college clinic which rents clinical space from the company. During the year rents of £52,848 (2016 - £53,393) were collected from the partnership. In addition a management charge of £21,000 (2016 - £18,000) was charged by the company to the partnership. The college clinic owed £7,831 (2016 - £51,628) to the company at the year end.

The directors also provided teaching services for which they received fees amounting to £50,486 (2016 - £77,002).

9 Cash generated from operations

	2017	2016
	£	£
Loss for the year after tax	(32,296)	(34,369)
Adjustments for:		
Taxation credited	(4,423)	(5,431)
Finance costs	11,911	12,616
Investment income	(42)	(159)
Depreciation and impairment of tangible fixed assets	18,039	15,512
Movements in working capital:		
(Increase)/decrease in stocks	(1,397)	1,606
(Increase)/decrease in debtors	(16,352)	76,180
Increase in creditors	1,834	87,922
Increase/(decrease) in deferred income	19,442	(38,025)
Cash (absorbed by)/generated from operations	(3,284)	115,852