
THE COLLEGE OF OSTEOPATHS
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

THE COLLEGE OF OSTEOPATHS
(A company limited by guarantee)

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THE COLLEGE OF OSTEOPATHS
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020

Trustees	P Grant N Pulver C Weber B Isbell R Rogers B Kaufman (resigned 25 August 2020) N Fawcett M Stubbs (resigned 25 August 2020) F Horwitz (appointed 13 October 2020)
Company registered number	3631445
Charity registered number	1072976
Registered office	13 Furzehill Road Borehamwood Hertfordshire WD6 2DG
Independent auditors	Nyman Libson Paul LLP Chartered Accountants Registered Auditors 124 Finchley Road London NW3 5JS
Bankers	Bank of Scotland 14/16 Cockspur Street London SW1Y 5BL HSBC 103 Station Road Edgeware Middlesex HA8 7JJ

THE COLLEGE OF OSTEOPATHS
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the audited financial statements of the The College of Osteopaths for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charity qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The Charity's objective is the advancement of osteopathy and effective maintenance of a college for the education and training of osteopaths.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Achievements and performance

a. Review of activities

The COVID pandemic brought many challenges to the teaching, learning and assessment of the programme. One of the College's responses was to establish a COVID working group. Membership included academic representation, clinical representation and student representation.

In respect of teaching and learning, the College received the following National Student Survey (NSS) scores: 100 % of respondents thought that the course was -

1. Intellectually stimulating
2. Challenging and providing opportunity to explore ideas or concepts in depth
3. Structured so that there was the opportunity to bring ideas and information together from different topics, and apply what had been learnt.

In addition 93% of students thought that the teaching staff were good at explaining things.

These scores were particularly pleasing given the challenges that the College faced in transferring all teaching wholesale on-line during March due to the closure of teaching facilities at all campuses and clinics.

Student completion of the course remained consistent and reflective of previous years overall. The College worked with the General Osteopathic Council (GOsC), the partner university, external examiners to ensure that there were no unnecessary obstacles preventing students who had achieved the bench-marked professional standard from graduating. For the academic year 2019 -20, 24/26 (92%) of students completed the programme as scheduled. From this group of students 83% (20/24) completed at first attempt, the remaining 17% (4/24), completed on second attempt, giving an overall 100% achievement for the year as with the previous year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Achievements and performance (continued)

b. Collaborative Partnership

The College recruited a small group of self-funding students to the University of Derby programme in January 2020. The continued delay in confirmation of Office for Student (OfS) registration, resulted in the majority of students scheduled to start the course in 2019 - 2020 opting to delay until 2020-21, when registration would ensure funding towards the programme.

During 2019 -2020 four year groups (years 2 – 5), remained on the Staffordshire programme which was in the Teach – out phase.

c. Harmonisation & Pay review

The harmonisation of pay was implemented in 2019 -20.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

During the year the financial procedures within the College were reviewed by an external consultant. The findings of the Review were scrutinized at meetings of the Finance Subcommittee of the Board of Governors. Progress with the implementation of the action plan was monitored by the Finance Subcommittee and reported back to the Board of Governors meetings.

As a result of the ongoing COVID pandemic it is anticipated that a deficit will be made for 20/21. The Board considers there are more than sufficient reserves to cover any deficit, and anticipates returning to a surplus in 21/22.

b. Reserves policy

The Board considers it prudent that unrestricted reserves should be sufficient:

1. To cover in the order of six months of management, administration and support costs.
2. To avoid the necessity of realising fixed assets held for the charity's use.
3. To maintain adequate reserves to enable the charity to meet urgent running and expansion costs.

The Board considers that the current level of free reserves is now at the desired level but is continuing to pursue increasing student recruitment arising out of the implementation of the marketing plan and careful budgeting overseen by the Board's Finance Subcommittee. The Board has deposited the reserves in secure accounts that earn modest interest but at the same time are readily accessible.

The Board considers there are more than adequate reserves to cover the potential cost of the ongoing pandemic. Recent registration with the OfS in October 2020 supports this statement, as registration involved scrutiny of the College's financial status, and took into account the effects of COVID -19.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

c. Results for the year

The results for the year and the financial position of the charity are set out in the attached financial statements.

The principal funding sources were from student fees and income from the osteopathic clinics, the main expenditure relating to this being staff salaries.

The action taken by the College in response to the COVID lockdown and restrictions has placed additional costs during this financial year. In particular, resources were needed to convert the course to online provision and establish a COVID secure environment for practical and clinical teaching. In addition, much of the income from the operation of the two teaching clinics was lost because of their closure.

Structure, governance and management

a. Constitution

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 15 September 1998 and was registered with the Charity Commission on 16 December 1998.

b. Methods of appointment or election of Trustees

Trustees may serve for an initial period of three years and the retiring trustee may normally serve for no more than nine years and would be an annual appointment thereafter. During the 2019/20 Academic Year, C Weber, B Isbell, P Grant and R Rogers were elected to serve for a further year. C Weber was elected to serve as Chair and B Isbell as Company Secretary.

c. Related party relationships

There are no related parties or connected charities.

d. Risk management

The trustees have continued to carefully assess the risks to which the charity is exposed, in particular those related to the operation and finance of the charity. OfS registration and a change of partnership have resulted in a review and an update in a number of the Colleges' procedures, including the risk management process. The new process has been implemented in 2019 /20. Risk management is a standing item on both the Board of Governors meetings and those of the Board with the SMT. With the onset of the pandemic in March 2020, the College, reviewed and updated the Risk Register to include pandemic situations and the specific risks associated with COVID-19.

e. Policies adopted for the induction and training of Trustees

After the appointment of an applicant to the Board, new governors complete an induction session with at least one experienced Board member. In addition, a mentor is allocated to provide support for a minimum of the first year of their tenure.

Trustees undergo training as part of the own professional development and therefore their contribution to the skills set of the Board. In addition, skills and expertise may be identified by the Board or in the annual appraisal of the member, with the Chair. The completion of the identified training is noted in the record of the annual appraisal of the Board member.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

f. Organisational structure and decision making

The College is administered by the Board of Trustees, which is its governing body. The Board meets regularly to discuss and formulate policy before delegating the day to day running of the organisation to the professional staff.

During 2019/20, a review of the Governance of the College was carried out by an external consultant. During early 2020/21 an action plan will be derived by the Governance Subcommittee of the Board of Governors and implementation will be completed during the year.

The College is continuing to actively seek appropriately experienced Trustees to the Board, particularly to reflect the diversity of the students and to more closely reflect the location of the College's provision.

Plans for future periods

The Appraisal process that had been scheduled for the academic year 2019-20 was delayed due to the commitments of the staff to conversion to online course provision and managing the health and safety of the staff, students and patients during COVID. The two-year cycle will recommence when the current urgent issues relating to COVID, course accreditation and OfS have been addressed.

A priority for the Board for 2020/21 will be strengthening of the engagement of the College with local community as well as corporate social responsibility.

During the academic year 2020 -21, the College was granted registration with the OfS. Good progress has been made with the consideration / exploration of alternative sources of funding and grants to support the College's provision, by the appointment of an external consultant. This is timely action, as the College is reviewing the current Business Plan and producing the next five-year Strategic Plan in preparation for 2021 - 22.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees 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 charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Nyman Libson Paul LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 27 January 2021 and signed on their behalf by:

N Pulver
(Trustee)

THE COLLEGE OF OSTEOPATHS
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COLLEGE OF OSTEOPATHS

Opinion

We have audited the financial statements of The College of Osteopaths (the 'charity') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the balance sheet, the statement of cash flows and the related notes, 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 Financial Reporting Standard 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 charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COLLEGE OF OSTEOPATHS
(CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

THE COLLEGE OF OSTEOPATHS
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COLLEGE OF OSTEOPATHS
(CONTINUED)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Trustees 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 Trustees are responsible for assessing the charitable 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jennifer Pope (senior statutory auditor)

for and on behalf of
Nyman Libson Paul LLP
Chartered Accountants
Registered Auditors

124 Finchley Road
London
NW3 5JS

27 January 2021

THE COLLEGE OF OSTEOPATHS
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:				
Charitable activities	4	930,178	930,178	1,156,965
Investments	5	1,565	1,565	202
Other income	6	37,985	37,985	-
		<u>969,728</u>	<u>969,728</u>	<u>1,157,167</u>
Total income				
Expenditure on:				
Charitable activities	7	878,383	878,383	971,850
		<u>878,383</u>	<u>878,383</u>	<u>971,850</u>
Total expenditure				
		<u>91,345</u>	<u>91,345</u>	<u>185,317</u>
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward		1,510,537	1,510,537	1,325,220
Net movement in funds		91,345	91,345	185,317
		<u>1,601,882</u>	<u>1,601,882</u>	<u>1,510,537</u>
Total funds carried forward				

The notes on pages 13 to 24 form part of these financial statements.

THE COLLEGE OF OSTEOPATHS
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REGISTERED NUMBER: 3631445

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	841,753	846,694
		<u>841,753</u>	<u>846,694</u>
Current assets			
Debtors	12	38,902	50,892
Cash at bank and in hand		775,250	715,244
		<u>814,152</u>	<u>766,136</u>
Creditors: amounts falling due within one year	13	(54,023)	(102,293)
Net current assets		<u>760,129</u>	<u>663,843</u>
Total net assets		<u><u>1,601,882</u></u>	<u><u>1,510,537</u></u>
Charity funds			
Unrestricted funds			
General funds	14	1,032,809	941,464
Revaluation reserve		569,073	569,073
Total unrestricted funds	14	<u>1,601,882</u>	<u>1,510,537</u>
Total funds		<u><u>1,601,882</u></u>	<u><u>1,510,537</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 27 January 2021 and signed on their behalf by:

N Pulver
(Trustee)

The notes on pages 13 to 24 form part of these financial statements.

THE COLLEGE OF OSTEOPATHS
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	62,480	130,626
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,474)	(12,036)
	<hr/>	<hr/>
Net cash used in investing activities	(2,474)	(12,036)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	60,006	118,590
Cash and cash equivalents at the beginning of the year	715,244	596,654
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	<u>775,250</u>	<u>715,244</u>

The notes on pages 13 to 24 form part of these financial statements

THE COLLEGE OF OSTEOPATHS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

The College of Osteopaths is a charitable company limited by guarantee and registered in England and Wales. The address of the registered office is 13 Furzehill Road, Borehamwood, Hertfordshire, WD6 2DG.

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The College of Osteopaths meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The trustees have reviewed the circumstances of the charity, taking into account the financial effects of the ongoing pandemic on its operations, and consider that adequate resources continue to be available to fund the activities of the charity for the foreseeable future. The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Student fees represent tuition and other fees due and are accounted for on an accruals basis. Clinic income represents monies received from patients for treatment by students (under the supervision of qualified osteopaths) in the college's clinics and is accounted for on a received basis. Bank interest and all other income is accounted for on an accruals basis.

Other income consists of grants from the government in relation to the Coronavirus Job Retention Scheme. Grants are recognised in the Statement of Financial Activity as the related expenditure incurred.

Deferred income represents students fees received in advance relating to the following year and amounts to £5,160 (2019: £91,703).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is charged to the Statement of Financial Activities on an accruals basis, when a constructive obligation has arisen and is classified as follows:

i) Charitable expenditure - This comprises all costs incurred by the charity in the delivery of its activities and services.

ii) Support costs - These comprise central costs including salaries and other expenses necessary to support the activities. These costs have been allocated to charitable activities on a basis consistent with the use of resources.

iii) Governance costs - These comprise all costs associated with meeting the constitutional and statutory requirements of the charity.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. Tangible fixed assets are recognised on suitable purchases over £500. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on the following bases .

Plant and machinery	-	15% Reducing balance
Fixtures and fittings	-	15% Reducing balance
Computer equipment	-	20% Straight line

No depreciation charge is made against the building as it is considered that the residual value is at least as great as the carrying value and not significantly different to cost, and any depreciation charge would be immaterial.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation.

2.10 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Critical accounting estimates and areas of judgment

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Critical accounting estimates and assumptions:

Accruals

The company makes an estimate of accruals at the year end based on invoices received after the year end and work undertaken which has not been invoiced based on quotations or estimates of amounts that may be due for payment.

Tangible fixed assets

Building improvements, fixtures and fittings, office equipment and computer equipment are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending upon a number of factors. In re-assessing the assets' lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

Revaluation of tangible fixed assets

The charity makes an estimate of property value at the year end based on historical valuations given from professionals in the property business and recent market trends.

4. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Student income	865,335	865,335	1,042,244
Clinic income	64,843	64,843	114,721
Total 2020	930,178	930,178	1,156,965

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	1,565	1,565	202

6. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Furlough grant	37,985	37,985	-

7. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education	239,154	416,814	655,968	680,918
Clinical	155,903	34,810	190,713	240,292
Governance	-	31,702	31,702	50,640
Total 2020	395,057	483,326	878,383	971,850
Total 2019	471,557	500,293	971,850	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2020 £	Clinical 2020 £	Governance 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	287,745	21,626	-	309,371	318,859
Rent, rates and insurance	79,839	6,000	-	85,839	52,895
Repairs and maintenance	10,092	758	-	10,850	16,450
Computer expenses	6,644	499	-	7,143	6,941
Advertising	2,875	216	-	3,091	16,663
Travel expenses	2,953	222	-	3,175	8,620
Telephone and fax	5,631	423	-	6,054	4,460
Printing, postage and stationary	2,950	222	-	3,172	5,822
Equipment rental	4,541	341	-	4,882	4,482
Other costs	10,579	795	-	11,374	7,686
Depreciation	2,965	3,708	742	7,415	7,528
Bookkeeping and accountancy	-	-	5,728	5,728	4,559
Auditor remuneration	-	-	7,860	7,860	9,786
Legal and professional	-	-	14,191	14,191	11,945
Bank charges	-	-	1,777	1,777	2,145
Bad debts provision	-	-	1,404	1,404	21,452
Total 2020	416,814	34,810	31,702	483,326	500,293
Total 2019	401,976	47,677	50,640	500,293	

8. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £6,000 (2019 - £6,000).

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FOR THE YEAR ENDED 31 AUGUST 2020

9. Staff costs

	2020 £	2019 £
Wages and salaries	528,591	576,349
Social security costs	32,419	17,281
Contribution to defined contribution pension schemes	4,905	4,171
	<u>565,915</u>	<u>597,801</u>

The average number of persons employed by the charity during the year was as follows:

	2020 No.	2019 No.
Education	10	12
Clinical	11	12
Administration	4	5
	<u>25</u>	<u>29</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	-

During the year key management personnel received remuneration and benefits amounting to £143,001 (2019: £142,088).

10. Trustees' remuneration and expenses

During the year, three (2019: one) trustees received payments totalling £1,900 (2019: £320) for providing services as a University Lecturer, charges for writing the board minutes and fees for assisting with the College finance. No other trustee (nor any persons connected with them) received any remuneration during either the current or prior year.

During the year, one (2019: two) trustee was reimbursed a total of £98 (2019: £120) for travelling, meeting and other expenses.

During the year the charity paid £1,562 (2019: £1,420) with respect to Trustees Indemnity Insurance.

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11. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	815,382	88,313	92,477	17,386	1,013,558
Additions	-	-	-	2,474	2,474
At 31 August 2020	<u>815,382</u>	<u>88,313</u>	<u>92,477</u>	<u>19,860</u>	<u>1,016,032</u>
Depreciation					
At 1 September 2019	2,882	75,330	82,504	6,148	166,864
Charge for the year	-	1,947	1,496	3,972	7,415
At 31 August 2020	<u>2,882</u>	<u>77,277</u>	<u>84,000</u>	<u>10,120</u>	<u>174,279</u>
Net book value					
At 31 August 2020	<u><u>812,500</u></u>	<u><u>11,036</u></u>	<u><u>8,477</u></u>	<u><u>9,740</u></u>	<u><u>841,753</u></u>
At 31 August 2019	<u><u>812,500</u></u>	<u><u>12,983</u></u>	<u><u>9,973</u></u>	<u><u>11,238</u></u>	<u><u>846,694</u></u>

The freehold property is included at fair value at 31 August 2020 based on two independent valuations (Simmons Estates and Barons Estates) made in November 2017. The trustees consider there has been no material change in the value since that date. Both valuers hold relevant professional qualifications and have recent experience dealing with properties in the location and class of the tangible fixed asset properties which required valuation.

The charity has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	2020 £	2019 £
Cost	278,713	278,713
Accumulated depreciation	(81,808)	(76,233)
	<u><u>196,905</u></u>	<u><u>202,480</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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12. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	27,588	49,117
Prepayments and accrued income	4,118	1,775
Grants receivable	7,196	-
	<u>38,902</u>	<u>50,892</u>

13. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other creditors	7,600	5,701
Accruals and deferred income	46,423	96,592
	<u>54,023</u>	<u>102,293</u>

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14. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Balance at 31 August 2020 £
Unrestricted funds				
General Funds	941,464	969,728	(878,383)	1,032,809
Revaluation reserve	569,073	-	-	569,073
	<u>1,510,537</u>	<u>969,728</u>	<u>(878,383)</u>	<u>1,601,882</u>

Statement of funds - prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Balance at 31 August 2019 £
Unrestricted funds				
General Funds	756,147	1,157,167	(971,850)	941,464
Revaluation reserve	569,073	-	-	569,073
	<u>1,325,220</u>	<u>1,157,167</u>	<u>(971,850)</u>	<u>1,510,537</u>

15. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	841,753	841,753
Current assets	814,152	814,152
Creditors due within one year	(54,023)	(54,023)
Total	<u>1,601,882</u>	<u>1,601,882</u>

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15. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	846,694	846,694
Current assets	766,136	766,136
Creditors due within one year	(102,293)	(102,293)
Total	<u>1,510,537</u>	<u>1,510,537</u>

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	91,345	185,317
Adjustments for:		
Depreciation charges	7,415	7,528
Decrease/(increase) in debtors	6,216	(22,947)
Decrease in creditors	(48,447)	(39,272)
Net cash provided by operating activities	<u>56,529</u>	<u>130,626</u>

17. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	775,250	715,244
Total cash and cash equivalents	<u>775,250</u>	<u>715,244</u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	715,244	60,006	775,250
	<u>715,244</u>	<u>60,006</u>	<u>775,250</u>

19. Pension commitments

The company pays contributions into a defined contribution plan. The pension cost charged represents contributions payable by the company and amounted to £4,905 (2019: £4,171). Contributions amounting to £385 (2019: £357) were payable at the balance sheet date.

20. Operating lease commitments

At 31 August 2020 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	38,066	38,066
Later than 1 year and not later than 5 years	57,205	95,271
	<u>95,271</u>	<u>133,337</u>