

BCNO LIMITED

(A COMPANY LIMITED BY GUARANTEE

AND NOT HAVING A SHARE CAPITAL)

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST AUGUST 2021

COMPANY NUMBER: 562119

CHARITY NUMBER: 312907

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Also known as:	British College of Osteopathic Medicine (BCOM) and British College of Naturopathy and Osteopathy (BCNO)
Constitution:	A company limited by guarantee, not having a share capital, and governed by a Memorandum and Articles of Association
Company Number:	562119
Charity Number:	312907
Governors:	Ms P Christie Dr F R Heathcote CBE (Chair of the Board of Governors) Mr K W Jager (resigned 22 January 2021) Mr H Kidd Mr M Mehta Mr M J Morgan Mr J A Newell (resigned 28 July 2021) Ms K O'Callaghan-Brown Dr A C Sautelle Dr K J Rolfe Ms D Hayes Ms T N Ogwezi Mr S Milton Dr M Rajput-Ray (resigned 22 September 2020) Mr D Rajendran (appointed 13 June 2021)
Principal:	Dr K J Rolfe
Company Secretary:	Dr K J Rolfe
Registered Office:	Frazer House 6 Netherhall Gardens Hampstead London NW3 5RR
Bankers:	National Westminster Bank Plc PO Box 7008 106 Finchley Road Hampstead London NW3 5JF
Auditors:	Mazars LLP 6 Sutton Plaza Sutton Court Road Sutton Surrey, SM1 4FS
Solicitors:	Mills & Reeve Botanic House 100 Hills Road Cambridge CB2 1PH
Investment Managers:	JM Finn & Co. 4 Coleman Street London EC2R 5TA

The last year, beginning on the 1st of September 2020 has been a significant year for BCNO Ltd, which has seen all members of the BCNO community work extremely hard. Our students have had to contend with pursuing their careers and education during a pandemic which has created particular problems for education in a "clinical setting". The fact that we have been able to provide them with uninterrupted practical teaching is the consequence of the hard work of all of our staff, who have been able to deliver to the students high quality teaching and tutoring with real patients in a safe setting. Indeed, we were able to do this with very few "Covid" interruptions, something that all concerned should be very proud of. As a result, our students, who have dealt admirably with the extra challenges that Covid presented, have earned commendably strong examination results and our 2021 Graduation class should look back on their time at BCOM with pride at what they have achieved. It was also noteworthy that we received a 100% satisfaction rating through the National Student Survey which was due to the hard work of all staff both academic and support staff

This has been an especially significant year for BCNO Ltd in that it saw the successful conclusion of the merger with Osteopathic Education and Research Limited (the European School of Osteopathy (ESO)) in the autumn of 2021 and the following months have seen considerable activity at Board and Executive level in planning the way forward for both Schools. The merger was legally completed on the 31st of August 2021 and a new Board was formed under the auspices of BCNO Ltd to run both the ESO and BCOM at their respective sites in Maidstone and Finchley Road. I wish to express my gratitude to those Trustees who did not go forward to the new Board and who gave many years of loyal support to BCOM which was such an important part of their lives. Thank you all.

I will continue to be a Trustee until September 2022 to support the newly appointed Chair, when after more than 18 years involvement I will be standing down from the Board. I will do so looking to the future knowing that we have a stronger financial business with which to build new academic programmes and overseas partnerships whilst retaining our independence and continuing to deliver our Charitable objectives in the best way we can.

Dr F R Heathcote

The Governors present their report together with Financial Statements for the Year Ended 31st August 2021. The following statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities (Charities SORP (FRS 102)). This report and accompanying statements also comply with the Companies Act 2006. BCNO Ltd has no share capital and is a registered charity with a limited guarantee of £5 per member. The governing document of BCNO Ltd is the Memorandum and Articles of Association of the company, reviewed in 2010, and members of the Board of Governors are the Directors of the company. The members of the Board of Governors are also the Trustees of BCNO Ltd.

a) Structure, Governance, and Management

The College is governed by the Board of Governors, which comprises not less than twelve or more than twenty-four persons. Governors serve for between one and four years and may be re-elected. New members are recruited via the Nominations Committee according to expertise and experience to complement and balance those of the existing Governors. The Governors appoint the Chair and Officers from the membership. The Board convenes at least three times a year (there were five meetings during 2020/21) and considers reports, which are standing agenda items, from the Standing Committees that are comprised of:

- Finance & Administration Committee,
- Academic Board,
- Audit Committee,
- Nominations Committee,
- Remuneration Committee,
- Senior Management Group.

The Board also considers the general policy direction, Risk Assessment, and Strategic Plan. Each of the Standing Committees have their own Terms of Reference that are detailed in the document "Committee Structure of BCOM." Subcommittees of the Standing Committees are organised to support the function of the College in the various specialised areas of its function. The student body representatives and elected Staff Representative have an invitation to each Board meeting.

On appointment, each Governor is given an Induction Pack that includes:

- The Memorandum and Articles of Association,
- The College Mission Statement,
- The College Strategic Plan,
- The latest Annual Report and Audited Accounts,
- The Essential Trustee: What you need to know, what you need to do May 2018 Charity Commission
- Access to Handbooks in electronic form. Hard copies are available on request,
- BCOM Governance & Committee Structure document that includes Standing Committee Terms of Reference – latest version 2017,
- Board Meeting Dates for the relevant year,
- Expense Claim Forms,
- Declaration of Interest Form,
- Corporate Gift Declaration Form,
- A tour of the College facilities is organised together with induction with the Principal.

a) Structure, Governance, and Management (continued)

The Principal reports on the performance against Operational and Strategic Plans approved by the Governors, and the Chair of the Finance and Administration Committee reports on the financial position and budget aims. Management Accounts and Reports are produced every 4 months for the Board, monthly for the management team, and each Finance & Administration Committee meeting.

Board of Governors (BOG) and Standing Committees

The members of the Board of Governors who held office during the year are listed on page 2. The Standing Committee membership details are shown in Figure 1, where the initials refer to the names on page 2.

Figure 1. Chart of the Governors membership of the Standing Committees

	Finance & Admin	Academic Board	SMG	Audit	Nominations	Remuneration	Ethics*	SMG Appraisal
Frequency	3	2	12	2	1	1	1	1
PC							✓	
FRH	✓				Chair	Chair		Chair
KWJ		✓			✓			
HK	Chair			✓		✓		
MM	✓	Chair	✓				✓	
MJM	✓			Chair				
JAN								
KO'B	✓	✓			✓			
ACS							✓	
DH		✓		✓				
SM								
TO								
KR	✓	✓	Chair		✓	✓**	✓	✓**

Initials correspond to the names of Governors on page 2

*Ethics chaired by an external

** Except when KR salary is being reviewed, or KR is being appraised

The membership of the Finance & Administration Committee also includes the following employees:

- Mr P Fabbri Finance & Payroll Coordinator (commenced January 2021)
- Mr P Eztaban Finance Manager (commenced July 2020; left January 2021)
- Ms J Sager Head of Clinic (resigned December 2020)
- Mr O O'Callaghan Head of Clinic (commenced December 2020)
- Ms A Hughes Registrar (resigned February 2021)
- Ms C Perks Registrar (Commenced January 2021)
- Mrs M Woodnick Head of Marketing & PR
- Mr E Luis Estates & Facilities Manager

The membership of the Academic Board also includes the following members:

- Head of Anatomy
- Librarian
- Head of Clinic
- Registrar
- Head of Research
- Estates & Facilities Manager
- Student Union Representative

a) Structure, Governance, and Management (continued)

The members of the Standing Committees are nominated in accordance with the provisions of the Memorandum and Articles of Association, according to the Committee Structure of BCOM, and their position within the College.

Risk Assessment and Register

The Governors are responsible for maintaining a sound system of internal control to safeguard the College's assets. The structures of internal control are designed to provide reasonable, but not absolute, assurance against material mis-statement or loss. The College has established an ongoing process for identifying, evaluating, and managing the College's key risks (see also below under Statement of Principal Accounting Policies – Risk Management Policy).

In particular, there are clear procedures for:

- monitoring of business risks, with key risks, identified and reported to the Governors,
- financial reporting, within a comprehensive financial planning and accounting framework,
- evaluating research projects with detailed ethical consideration, appraisal, authorisation, and post-completion review.

The Board normally reviews the Risk Register within the guidelines of the Risk Management Policy and Procedures at each meeting and adjusts the potential impact as appropriate. Each element of risk is assessed at appropriate Board meetings, each quarter or each year, depending on the potential severity of impact and the cycle of events through the academic and financial year and according to the product of the likelihood of occurrence and the perceived impact on the charity. Each component is rated out of ten and the products are listed in descending order. The Governors are then in an appropriate position to judge the overall impact and therefore, the distribution of means and resources to offset the individual risk. The Board considers as a key theme, the minimisation of exposure to risk without becoming overly risk-averse which could result in an inability to develop along academic, clinical, research, or infra-structural routes.

The Finance and Administration and the Audit Committees, on behalf of the Governors, review the effectiveness of the systems of internal controls operated by the College and of the financial planning, forecasting, and management. Historically sound financial planning, management and investment, freehold ownership of both Frazer and Lief Houses, and financial investments have enabled the College to withstand the challenging recent environment.

Three major risks have been identified which include:

1. Failure to recruit adequate Undergraduate student numbers. While this is a critical risk it is being managed with strong UK recruitment diluting the impact of challenging global markets. Further challenge to come with Brexit and Sector stability. Risk control is being managed and by Senior Leadership market evaluation and Internal performance.
2. Competition from existing European osteopathic training institutions and universities due to UK changes to student funding/BREXIT - limited incentives, lack of degree recognition and funding for European students to study in England. Measures are in place to monitor, develop new marketing ideas, and consideration within financial planning.
3. Removal of validation rights. The reason the risk is so high, is due to our ability to deliver a degree qualification. No current evidence of any increase risk, having historically managed a good relationship with our validator. Further evidence of managing this risk is through the annual QA cycle.

Management, Staffing, and Staff Development Activity

The role of planning and developing the management of staff falls to the Principal and the management team operating within the guidelines of the Board. The function of the College determines that the focus of the human resource will be academic and clinical, but together with the essential administrative support team to ensure efficient management and financial controls. The Principal, therefore, ensures that

appropriately qualified and experienced academic staff are recruited and that they are supported by an equally well qualified and experienced support staff. The number and specific experience of the staff are determined by the requirement of the teaching (the Student-Staff Ratio is 5:1) and administrative support mechanisms.

Staff members are a key asset to the College and, as such, are supported by the College to develop both as individuals and as employees of the College. The College organises staff development through the Staff Development Allocations Committee (SDAC) which reviews staff applications and Line Manager proposals. The SDAC committee considers the proposed applications regarding the College's needs, the position of the staff member within the College, the full-time equivalence of their contract, and the cost/benefit ratio of the proposal.

The Payroll Co-ordinator chairs SDAC, and individual Line Manager input is required for SDAC applications. During 2020/21, SDAC distributed £477.00 in direct funding for staff development.

a) Structure, Governance, and Management (continued)

The Philo Trust generously supports part of the naturopathic work conducted at BCOM.

b) Governors Responsibilities**Nolan Principles**

The Governors abide by the Nolan 'Seven Principles of Public Life'; Selflessness; Integrity; Objectivity; Accountability; Openness; Honesty, and Leadership, which are enshrined within the Charity Commission's code of good practice, a guiding principle of the College's function.

Academic and Professional Relationships

The College maintains academic and professional relationships with those institutions that respectively academically validate (University of Plymouth), regulate (Office for Students (OfS)), General Osteopathic Council (GOsC), and accredit (General Council & Register of Naturopaths (GCRN)) professional activity.

The University of Plymouth, the validating University, reviews the degrees on an Annual Monitoring basis as well as by a full revalidation review at the appropriate interval. The Annual Monitoring involves reporting to the University at the conclusion of each academic year on a Module by Module, Review of Performance, Student Progression, Student feedback, and final degree outcome basis. The written reports include a comment on the External Examiners Reports and Self Evaluation of the various areas of College function. The College successfully complied with all of the Annual Monitoring requirements of the validating University during the academic year. Further, the Masters in Osteopathy was successfully revalidated in December 2015; following discussion with the University of Plymouth and external examiners in relation to over assessing the BCOM students and coming in line with Plymouth University module structure and regulations.

The professional bodies accredit the professional and clinical elements of the degrees. These are the statutory GOsC and the private GCRN. The GOsC requires Annual Reports and up to five years Recognised Qualification (RQ) review organised and processed through the Quality Assurance Agency (QAA) for higher education. The Review Report was approved in July 2018 as an "RQ without Conditions." This was the third time in succession that the College has received this result.

Following BCOMs registration with the OfS in 2018, the College underwent a Quality and Standards Review (QSR) in 2019. The report was received in January 2020, and BCOM appears compliant with confirmation from the OfS.

c) Principal Activities and Achievements for the Year**Areas of Activity**

The objectives of the College are to:

- Provide education and training for students of Naturopathy and Osteopathy,
- Provide clinics for patients requiring Naturopathic and Osteopathic treatment,
- Provide research facilities in the broad field of medicine, particularly in the areas of Naturopathy and Osteopathy,
- Provide and disseminate information and educational literature to inform the public and potential patients of the philosophy and practice of Naturopathy and Osteopathy.

There has been no change in the objectives of the College.

The continuing pandemic of Covid-19 continued to bring changes to teaching and the clinical aspects of the College work. Due to osteopaths being recognised AHP students were allowed onsite but only for hands-on practical classes and the cohorts were restricted to mixing and working in 'bubbles'. The teaching clinic ran throughout the period with the appropriate PPE and risk assessments. Academic lectures continue online. However, during the summer term with restrictions lifting BCOM moved to face-to-face assessments with all the required restrictions in place.

Public Benefit Statement 2020-21

The College places the provision of a quality teaching clinic at the core of its educational activities. Located at the same site in Hampstead, London NW3 since 1953, the College has strong links with the diverse residential and business population of Camden. The College's principal charitable functions are therefore twofold: firstly, the provision of high-standard, low-cost, and/or free osteopathic and naturopathic healthcare to the population of London (and surrounding areas); secondly, degree-level osteopathic education for students from all backgrounds, the quality of which was again recognised in 2017 when the College was awarded a landmark "approval without conditions" recognition for the third successive time by the QAA review team.

With regard to charitable work within healthcare, the College cites the following activities: patients treated without a direct fee (those unable to pay via the Private Clinic); patients treated on low fees (compared to private practice); free Children's Clinic, well promoted to local schools and parents; publication and distribution of free health information on osteopathic and naturopathic healthcare. The College, through its students and tutors, also supports a local homeless charity with treatments. Osteopathic and Naturopathic treatment includes dietetic and lifestyle advice as part of the patient empowerment component of the treatment strategies. With regard to charitable work within education, the College cites the following activities: running a Higher Education Institution with full-time students following a sophisticated schedule of learning and assessment; undertaking and dissemination of research by staff and students; publication of peer-reviewed articles; maintaining an academic library; bursary support for students; support for academic and teaching development of staff and a mentoring relationship with overseas institutions to develop the international presence of osteopathy.

The Governors declare that they have complied with the duty set out in Section 17 of the Charities Act 2011 to have due regard to Public Benefit Guidance published by the Charity Commission.

Academic and Professional

During the academic year the following numbers of students were recruited to and completed the corresponding year of the Masters in Osteopathy four year HEFCE funded course:

Year	A	B	C	D	E	F	G
1	39	31	0	2	1	3	2
2	21	17	0	0	2	1	1
3	22	18	0	2	0	0	2
4	19	19*	0	0	1	0	2**
Total	101	85	0	4	4	4	5

Note due to the Covid-19 pandemic a number of students were awarded an extended referral

A = Number of students enrolled at the start of the year
 B = Number of students completing and progressing to the subsequent year/graduating
 C = Number of students who withdrew before the end of the year
 D = number of students interrupting studies
 E = Number of students re-sitting the year
 F = Number of students referred in the year and did not return
 G= Number of students with extended referral

*includes a student who was on maternity leave and just returned for their final clinical assessment

** extended referral from previous year but graduated in time

c) Principal Activities and Achievements for the Year (continued)

Degree:	Number
Masters in Osteopathy (MOst)*	19
Bachelor of Osteopathic Medicine (BOstMed)	2
Bachelor of Science ordinary degree	1
Diploma in Naturopathy (4 years) confers GCRN registration eligibility	Number
Diplomates in Naturopathy	21

The post-basic training BSc (Hons) Osteopathy Conversion degree enrolled one cohort:

All eight BSc(Hons) for Diplomates completed their studies.

Key Performance Indicators (KPI's)

The College annually monitors the progression of students by cohort and for the individual module; both are compared to previous cohorts over the last five years. Further, the College assesses the key performance indicators for each module for the validating University. The University of Plymouth has a KPI of 90% progression rate however as agreed by the external examiners, the clinical nature of the course makes this progression rate difficult to achieve particularly in year 1 (level 4).

Clinical

The Clinic has continued to fulfil its charitable objectives with a large percentage of patients either treated on a concessionary basis or free of charge. There has also been a continuation of our charitable provision, with an off-site massage service run by student volunteers at a local homeless day centre. The Clinic fees continue to be substantially below private fees; a small surcharge was added to help cover the cost of PPE when the Clinic reopened after the Covid lockdown. There has been a level of demand during the pandemic. Measures to make the Clinic 'Covid-secure' have been expensive; the cost of PPE and increased cleaning has been significant.

The following numbers of patients were treated at the Frazer House Clinic:

	Number
New patients	1226
Treatments	<u>6280</u>
Total	<u><u>7506</u></u>

The College continued to efficiently support the clinical students, including guidance on research and self-directed learning for the clinical years three and four projects and audit logs. The graduating cohort consisted of 20 students. The FCCA returned for the year 4 clinical assessment with all the relevant PPE and social distancing in place.

All students were successful in their final clinical assessments, one student returned after their maternity leave, and two other students who had extended referrals also graduated.

The College continues to run a private fee-paying clinic ('non-training Clinic). This provides both osteopathy and soft tissue massage, although soft tissue massage was again not allowed during Lockdown-2. Graduate practitioners provide osteopathy treatments at £40/per session. Soft tissue massage is provided by current students, with their massage insurance, on a self-employed basis. Massage sessions cost £45 for 1 hour and £25 for 30 mins; prices and times were amended when the Clinic reopened after Covid-19 to allow for increased costs due to PPE and a conservative approach to massage appointment length. The non-training Clinic has proved very successful.

Research

The College continued with the important activity of research over the 2020/21 academic year. The research facilities were used to support teaching activities as well providing for publications in research journals.

Members of the BCOM Research Team maintain memberships in learned societies, including the Royal Society of Medicine. These memberships were in part, supported by the College.

The research completed and presented in 2020/21 includes journal articles, and lay articles.

Elliott BJ, Hookway N, Tate BM, Hines MG. Does passive hip stiffness or range of motion correlate with spinal curvature and posture during quiet standing? *Gait Posture*, 2021: 85: 273-279.

Woollard, A. Lichtman, J.W., Rolfe, K.J., et al. Neuromuscular reinnervation efficacy using a YFP model. *J Plast Reconstr Aesthet Surg* 2021: 74(3):569-580

Rolfe K.J. The role of osteopathy in musculoskeletal injury and health-related quality of life (EQ-5D) in a teaching clinic. In preparation

Information Dissemination – The Website, Prospectus, and Clinic information

The website of the College performs diverse functions. It has a primary role in the publication of the activities of the College and as a source of information to prospective students and researchers and members of the public seeking Osteopathic and Naturopathic treatment support.

- Dissemination of the activities of the College,
- Recruitment information for student and staff applicants,
- Course information for a variety of prospective students,
- Information regarding the clinics,
- Dissemination of the College research work,
- A mechanism for a contact of key personnel within the College,
- A portal of entry to Osteonet, the Intranet system for students and staff.

The Clinic produces a series of information pamphlets and fliers that give brief, focused information about the clinics offered by the College, as well as information about the more common clinical presentations and what the treatment might involve. These are seen as educational as well as informative and enable prospective patients the opportunity to preview their clinical experience. The Head of Research wrote or researched information for a number of publications or organisations.

The Head Librarian and staff send regular summaries of interesting articles to faculty and students.

Resources

The College maintains two linked freehold buildings of Frazer and Lief Houses as the centre of its operations in Hampstead in the London Borough of Camden. Lief House was in part rented to the NHS in November 2019 while maintaining a research laboratory and an air-conditioned practical room. Frazer House includes the 120 seat tiered lecture theatre, additional teaching space, the clinic facility, library, recreational space and, staff office space. The research laboratory was moved, and on the move, the new laboratory was refurbished. All areas of the College are interconnected via the server led computer system enabling efficient communication via email or telephone contact.

Future Plans for 2021/22

The following key objectives for 2021/22 are:

4.1 Educational Development and Core Competencies

- a) To ensure that all of our students reach their full potential, the delivery of the highest quality academic service is a key priority.**

This will be achieved by ensuring that the course is of a high quality and is delivered in a professional manner, in appropriate surroundings.

- b) To ensure that all members of staff and teaching faculty deliver a high-quality service and reach their personal full potential.**

This will be achieved through the provision of an online staff appraisal/performance review system. This will enable us to utilise and promote industry leading staff development and training standards, underpinned by a staff development strategy driven by our Senior Management Team.

- c) In order to maintain the profile of the School and to become recognised as a centre of excellence the School will continue to promote international activities.**

The International Department will continue to seek new collaborations with international partners.

We recognise that the Brexit vote does introduce a level of uncertainty in this area of the business and we will continue to monitor the situation closely

- d) In order to deliver a benefit to society the School will aim to grow the commercial success of the clinic whilst maintaining our charitable activities and delivering charitable benefit.**

The focus for 2021/22 will be to increase the number of patients using this facility, through increased use of social media, increased marketing activity and a wider more proactive engagement with the local community and health care provider

- e) Research**

The research direction of the School over the next 3 – 5 years will be determined in consultation with the Research and Ethics Committee, designed to make the best use of existing expertise and reflecting the mission of the School.

- e) Review of the Financial Position**

Donations

The College has been fortunate to receive a number of bequests and donations over the years. There is, however, one Trust that has shown remarkable and consistent loyalty to the College over many years and has consistently donated funding. The Philo Trust who donated £8,000 during this financial year to the College. The College has been enormously grateful for their past support from the Philo Trust.

Fixed assets

Historically, the policy of the Governors has been to carefully manage the College's funds so that necessary expansion can be logically planned and funded from the College's resources. The accumulated assets of the College are considered sufficient to cover all commitments of the College. The current favourable interest rates make borrowing advantageous at present. The decision taken by the Governors was to borrow to finance the extension of Frazer House and to liquidate assets at more favourable rates to service the loan. In August 2013, the College obtained a working capital loan facility for £507,500 and drew £257,500 to fully repay the existing overdraft and settle the arrangement fee of £7,500. The remaining £250,000 was drawn down in 2013-14. The working loan was renegotiated in August 2018 and came into force in September 2018. The amount outstanding on both loans stood at £801,220 at 31 August 2021. The charges necessary to maintain this loan have been included in the budgeted costs for the forthcoming financial years. Due to the Covid-19 situation, the bank granted the College a Capital repayment holiday for 12 months from April 2020. Lief House was revalued, and part rented in November 2019 to the NHS.

Results

The financial statements reflect the importance placed by the Governors on sound financial planning and control.

Student fees, income from the Clinic, and related income from charitable activities totalled £1,443,611. Expenditure on charitable activities was £1,518,861. With the inclusion of donations and income from investments, BCOM ended the year with a net loss of £145,264.

Both Frazer House and Lief House are used for the principal objects of the College. The other main assets of the College are the investment portfolios, and the bank balances that the Governors regard as adequate to meet the College's plans and financial commitments for the foreseeable future. This policy has been reviewed in the short term due to prevailing market values (see Fixed Assets above).

In the opinion of the Governors, the financial statements comply with current statutory requirements and with the requirements of the College's Memorandum and Articles of Association.

f) Statement of Policies**Reserves policy**

The College maintains a number of reserves. These are broadly split into:

Unrestricted funds

These funds are expendable at the discretion of the Governors and are used in the furtherance of the College's objects. The Governors have earmarked certain funds for specific projects or purposes, and these are described as designated funds.

The unrestricted funds of the School amounted to £3.18m as at 31 August 2021 (£3.3m 2020) with these being fully employed through investment in freehold property and fixed assets. The School's overdraft facility is utilised to ensure there are sufficient funds available to meet the working capital needs and to smooth out the timing of income receipts and expenditure.

Restricted funds

The restricted funds were established because the College has received income which may only be spent in a certain way (restricted by the donor or terms of the appeal) or under certain conditions. These funds can only be expended according to the specific terms of the donor.

For a detailed description of the designated and restricted funds, see the principal accounting policies on pages 22 to 26 of the financial statements.

The College's policy on borrowing is to minimise the cost while maintaining the stability of the College's position by sound debt management techniques. Any surplus or deficit is dealt with by an appropriate transfer to or from other unrestricted funds.

Investment policy

The overriding principle guiding the investment of surplus cash balances is the preservation of the capital value of the College's resources. The objective for investment or lending purposes is to achieve the best possible return while minimising risk. The College's policy on borrowing is to minimise the cost while maintaining the stability of the College's position by sound debt management techniques.

Risk management policy

The Governors are responsible for maintaining a sound system of internal control to safeguard the College's assets.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The College has established an ongoing process for identifying, evaluating, and managing the College's key risks.

In particular, there are clear procedures for:

- monitoring of business risks, with key risks, identified and reported to the Governors,
- financial reporting, within a comprehensive financial planning and accounting framework,
- evaluating research projects with detailed appraisal, authorisation, and post-completion review.

The Finance and Administration Committee, on behalf of the Governors, regularly review the effectiveness of the system of internal control operated by the College. The Governors review the Risk Management Policy and Procedures and resulting Risk Register at each Board meeting.

Going concern position

The College has been in negotiation with the European School of Osteopathy (Osteopathic Education and Research Limited) to merge in the 2021 academic year. The Principals from both schools have been in discussion concerning the merger for a number of months and both Boards believe this merger will strengthen the position of both Institutions and osteopathic education more generally for current and future students. As set out in accounting policy 1(b), the financial statements are prepared on a basis other than as a going concern.

The cash flow reports are presented to the Finance & Administration Committee, which has been assigned with the task of ensuring the sound management of the College's finances. The Committee reports its findings to the Board. Having followed this process and given the merger intentions reported above, the Board is satisfied with the College's Going Concern position.

Statement of Governors' responsibilities for the financial statements

The Governors (who are also directors of BCNO Limited for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law, the Governors have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Governors 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 charitable company and the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Governors is aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Liability of members

Each member has agreed to contribute an amount not exceeding £5 in the event of the charitable company being wound up. AXA Insurance has provided directors and officers liability with a limit of indemnity of £2,000,000, including costs.

Auditors

Mazars LLP have been appointed as auditors in accordance with section 485 (4) of the Companies Act 2006. These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On Behalf of the Board

R H Kidd

Mr R H Kidd
Director

Date: 20 July 2022

Independent Auditor's Report to the members of BCNO Limited**Opinion**

We have audited the financial statements of BCNO Limited (the 'charity') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, 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 charity's affairs as at 31 August 2021 and of 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

In auditing the financial statements, we have concluded that the trustees' 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 charity'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 trustees 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 trustees are responsible for the other information. 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 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 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 the audit:

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

- adequate and proper 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' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, 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 charity'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 charity 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 the 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. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations.
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.
-

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected, or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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 auditor's report.

Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

N J Wakefield

Nicola Wakefield (Senior Statutory Auditor)
for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: 25th July 2022

		2021		2020	
	Note	Unrestricted funds £	Restricted funds £	Total £	Total £
Income from:					
Donations and legacies	2	1,222	8,000	9,222	8,000
Charitable activities	3	1,392,077	-	1,392,077	1,214,302
Investments	4	457	-	457	1,352
Other income	5	41,855	-	41,855	39,902
Total income		1,435,611	8,000	1,443,611	1,263,556
Expenditure on:					
Investment management costs	6	600	-	600	600
Charitable activities	7,8	1,506,019	12,842	1,518,861	1,489,146
Total expenditure		1,506,619	12,842	1,519,461	1,489,746
Net gains/(losses) on investments	15	20,586	-	20,586	(1,572)
(Losses) on investment property	14	(90,000)	-	(90,000)	-
Net (expenditure)		(140,422)	(4,842)	(145,264)	(227,762)
Transfers between funds		18,566	(18,566)	-	-
Net movement in funds	21	(121,856)	(23,408)	(145,264)	(227,762)
Reconciliation of funds:					
Total funds brought forward	21	3,304,066	1,713,644	5,017,710	5,245,472
Total funds carried forward	21	3,182,210	1,690,236	4,872,446	5,017,710

All income and expenditure derives from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

The notes on pages 23 to 38 form part of these financial statements.

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	2,682,642	2,761,386
Investment Property	14	2,925,000	3,015,000
Investments	15	-	79,292
		<hr/> 5,607,642	<hr/> 5,855,678
Current assets			
Debtors	16	29,322	78,407
Cash at bank and in hand		269,274	47,226
		<hr/> 298,596	<hr/> 125,633
Creditors: amounts falling due within one year	17	(1,033,792)	(963,601)
		<hr/> (735,196)	<hr/> (837,968)
Net current (liabilities)			
Total assets less current liabilities		4,872,446	5,017,710
Creditors: amounts falling due after more than one year	18	-	-
		<hr/> 4,872,446	<hr/> 5,017,710
Net assets			
Charity Funds			
Restricted funds	21	1,690,236	1,713,644
Unrestricted funds	21	3,182,210	3,304,066
		<hr/> 4,872,446	<hr/> 5,017,710
Total charity funds			

The financial statements were approved and authorised for issue by the Board on 20 July 2022

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Signed on behalf of the board of trustees

R H Kidd

Mr R H Kidd
 Director

The notes on pages 23 to 38 form part of these financial statements.

	Note	2021 £	2020 £
Cash flow generated from / (used in) operating activities	23	168,768	(183,164)
Net cash flow provided by operating activities		<u>168,678</u>	<u>(183,164)</u>
Cash flow from investing activities			
Interest received		18	388
Listed investment income		439	964
Interest payable		(16,827)	(20,116)
Proceeds on disposal of investments		94,941	-
Decrease/(increase) in cash held for investments		4,937	(364)
Net cash flow generated from (used in) investing activities		<u>83,508</u>	<u>(19,128)</u>
Cash flow from financing activities			
Repayment of long term loans		(30,138)	(31,339)
Net cash flow used in financing activities		<u>(30,138)</u>	<u>(31,339)</u>
Change in cash and cash equivalents in the year		222,048	(233,631)
Cash and cash equivalents at 1 September		<u>47,226</u>	<u>280,857</u>
Cash and cash equivalents at 31 August		<u>269,274</u>	<u>47,226</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		269,274	47,226
Cash and cash equivalents at 31 August		<u>269,274</u>	<u>47,226</u>

The notes on pages 23 to 38 form part of these financial statements.

1. Summary of significant accounting policies

(a) General information and basis of preparation

BCNO Limited is a registered Charitable Company Limited by Guarantee in the United Kingdom. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are to provide education, research and support in philosophy, science and clinical application of holistic osteopathy and naturopathy within the UK and throughout the international community.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Going concern

As set out in note 25, on 1st December 2020 the Trustees voted to merge the college with European School of Osteopathy (Osteopathic Education and Research Limited) whose Trustees also voted in favour of the merger on 15th December 2020. It is the intention of the colleges that the merger will be completed by 1st September 2021.

Under the current proposed terms of the merger a new legal entity will be formed and both colleges will transfer all trading activities, assets and liabilities at the transfer date into the new entity leaving the existing legal entities as dormant companies.

As the company is intending to transfer all its trading activities assets and liabilities to a new legal entity within 12 months of these financial statements being approved, the company does not technically meet the criteria for preparing financial statements on a going concern basis and as a consequence these financial statements have been prepared on a basis other than as a going concern. As part of the merger process the Trustees have considered financial forecasts and cashflows and are satisfied that the new merged entity will be financially robust and no creditor or third party will suffer financial loss as a result of the merger.

Under the terms of the current loan agreements the current finance facilities will fall due on the merger date and long term debt has been moved to current liabilities. Having had discussion with their finance providers about the merger the Trustees are satisfied that they will be able to replace the banking facilities with similar facilities in the new entity.

Although the Boards have voted to merge, there remains the possibility that the merger will not take place and the College will continue as a standalone entity for the foreseeable future. The Trustees have considered this possibility and produced budgets and forecasts if the merger were not to happen. Having fully considered this evidence the Board are satisfied that if the merger does not proceed the College has sufficient financial resources to continue as a going concern for the foreseeable future and at least 12 months from the date these financial statements have been approved.

1. Summary of significant accounting policies (continued)**(c) Funds**

Unrestricted funds 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(d) Income recognition

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Income from tuition fees is recognised in the period to which it relates and includes all fees payable by students and funding bodies.

Clinic income relates to services provided within the period.

Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Where there are conditions attached to the donation that require a level of performance before entitlement can be obtained, the income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from investments comprises dividends receivable during the accounting year from listed investments and interest receivable from bank deposits.

(e) Expenditure recognition

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes all costs incurred in relation to the continued operations of the entity.
- Investment costs consists of management fees relating to the investment holdings.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(f) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and professional costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with proportion of staff time spent on each activity.

1. Summary of significant accounting policies (continued)**(g) Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Where a tangible fixed asset is donated to the charity, cost is the trustees' best estimate of the value of the asset at that point in time.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold buildings	2% per annum straight line
Freehold properties	2% per annum straight line
Building improvements	2% per annum straight line
Other	25% per annum straight line

(h) Investment Property

Property that is used for both operating and investment purposes is considered to be mixed use property. The fair value of such property is split between freehold and investment property based on the square footage used by the company and tenants.

The investment property is revalued annually on the basis of market value as defined in the Appraisal and Valuation Standards as issued by the Royal Institute of Chartered Surveyors.

No depreciation is charged on investment property.

(i) Investments

Publicly traded investments, or those where fair value can otherwise be measured reliably, are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

(j) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(k) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method.

1. Summary of significant accounting policies (continued)**(l) Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the relevant expenditure heading in the SoFA.

(m) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(n) Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(o) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(p) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

(q) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

(r) Reserves

The funds have been set up by the Trustees for the following purposes:

Restricted funds***Frazer House***

This represents the estimated value at 31 August 1996 of the gift of Frazer House. A transfer is made each year from the restricted fund to the general fund of an amount equivalent to the annual depreciation charge on the freehold buildings.

1. Summary of significant accounting policies (continued)**(r) Reserves (continued)*****BNOA Research***

This represents the un-expensed value of the gift received from the British Naturopathic and Osteopathic Association to be used for Research purposes by the College. Expenditure incurred to support projects that fulfil the research criteria of this fund is transferred from the restricted fund to the general fund.

Philo Fund

This represents the amount donated by the Philo Trust to be used for Naturopathy purposes by the College.

Capital Bids Fund

This represents the amount received from a capital bid awarded by the University of Plymouth for purchase of named items.

Designated unrestricted funds***Scholarship fund***

Although this fund has already been fully utilised, the College continues to support students in need through their academic courses by offering bursaries.

2. Income from donations and legacies

	2021	2020
	£	£
Philo Trust donation	8,000	8,000
Bequests and other donations	1,222	-
	<u>9,222</u>	<u>8,000</u>

3. Income from charitable activities

Academic and professional services	1,309,711	1,127,272
Clinical services	82,366	87,030
	<u>1,392,077</u>	<u>1,214,302</u>

All income derived from charitable activities related to general funds.

4. Income from investments

Listed investments	439	964
Bank deposits	18	388
	<u>457</u>	<u>1,352</u>

5. Other income

	2021	2020
	£	£
Insurance Income	41,855	39,902
	<u>41,855</u>	<u>39,902</u>

Other income consists of insurance income relating to the salaries of two members of staff on long term sick leave.

6. Investment management costs

	2021	2020
	£	£
Investment manager fees	600	600
	<u>600</u>	<u>600</u>

7. Analysis of expenditure on charitable activities

	Activities undertaken directly £	Support costs (note 8) £	2021 Total £	2020 Total £
Academic and professional services	358,647	538,875	897,522	845,329
Clinical services	226,223	263,137	489,360	458,486
Research	85,219	36,547	121,766	139,154
Marketing and advertisement	10,213	-	10,213	46,177
	<hr/>	<hr/>	<hr/>	<hr/>
	680,302	838,559	1,518,861	1,489,146
	<hr/>	<hr/>	<hr/>	<hr/>

£12,842 (2020 - £Nil) of the above costs were attributable to restricted funds.

8. Allocation of support costs

Support cost	Academic and professional services £	Clinical services £	Research £	2021 Total £	2020 Total £
Governance (see note 9)	107,623	-	-	107,623	29,941
Finance and administration	129,668	79,119	10,989	219,776	290,028
IT	34,101	20,808	2,890	57,799	54,173
Property	173,861	106,084	14,734	294,679	244,415
Other support costs	93,622	57,126	7,934	158,682	114,481
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	538,875	263,137	36,547	838,559	733,038
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

9. Governance costs

	2021 £	2020 £
Trustees' expenses	-	84
Auditor's remuneration	15,958	23,857
Company Secretary	17,688	6,000
Legal costs in relation to the merger	73,977	-
	<hr/>	<hr/>
	7,623	29,941
	<hr/>	<hr/>

10. Net expenditure for the year / period

Net expenditure is stated after charging

	2021	2020
	£	£
Depreciation of tangible fixed assets	78,744	72,950
Bad debt provision	20,563	1,387
Auditor's remuneration (excluding VAT):		
Audit fees	9,500	15,800
Other services	2,300	2,730
Prior year overrun	4,158	-
	<hr/>	<hr/>
	4,265	92,867
	<hr/>	<hr/>

11. Trustees' and key management personnel remuneration and expenses

The Principal and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Governors.

Other Governors did not receive any payments, other than reimbursed expenses, from the College in respect of their role as Governors. The value of the Governors' remuneration received was as follows:

- Mr M Mehta: £44,944 (2020: £44,758)
- Dr K Rolfe: £70,566 - Principal (2020: £71,693)

During the year no Governors (2020: 1) has been reimbursed a total of £nil (2020: £85) for travelling expenses incurred attending meetings of the College.

There were no other related party transactions involving the Governors or Key Management.

12. Staff Costs and Employee Benefits

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

The Average number of employees of the College during the year was:	2021	2020
	Number	Number
Full time	7	10
Fractional	60	42
	<hr/>	<hr/>
	67	52
	<hr/>	<hr/>
Full time equivalents	21	18
	<hr/>	<hr/>

12. Staff Costs and Employee Benefits (continued)

The total staff costs and employees benefits were as follows:

	2021	2020
	£	£
Wages and salaries	734,281	771,404
Social security	53,986	58,719
Other pension costs	38,464	49,388
	<u>826,731</u>	<u>879,511</u>

There were no termination or redundancy payments in the year.

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2021	2020
	Number	Number
£70,001 - £80,000	1	1
	<u>1</u>	<u>1</u>

Pension contributions of £7,047 (2020: £6,669) were made by the charitable company during the year on behalf of higher paid employees

13. Tangible fixed assets

	Land and buildings Frazer House £	Land and buildings Lief House £	Building Improvements £	Furniture, Equipment and heating £	Databases £	Total £
Cost or valuation:						
At 1 September 2020	2,062,500	436,592	1,835,926	554,125	52,931	4,942,074
Disposals	-	-	-	(248,270)	-	(248,270)
At 31 August 2021	2,062,500	436,592	1,835,926	305,855	52,931	4,693,804
Depreciation:						
At 1 September 2020	389,822	102,567	1,100,228	535,140	52,931	2,180,688
Charge for the year	18,556	10,806	36,719	12,663	-	78,744
Released on disposal	-	-	-	(248,270)	-	(248,270)
At 31 August 2021	408,378	113,373	1,136,947	299,533	52,931	2,011,162
Net book value:						
At 31 August 2021	1,654,122	323,219	698,979	6,322	-	2,682,642
At 31 August 2020	1,672,678	334,025	735,698	18,985	-	2,761,386

The freehold property, Frazer House, 6 Netherhall Gardens, was valued by the Governors on an existing use basis at 31 August 1996 when this asset was donated to the charity. This valuation includes an estimated £928,000 in respect of the buildings that are being depreciated.

The freehold property, Lief House, 3 Sumpter Close, was originally purchased in September 1994 as a Leasehold. The company acquired the Freehold of this property in December 2008 for £100,000. This asset is stated at cost as at the balance sheet date. The cost includes an estimated £196,000 in respect of buildings which are being depreciated. 25% of this property is used by the charity; the remaining 75% is let commercially and accounted for as investment property.

A professional valuation was undertaken in September 2018 and the property's market value was assessed at £3,900,000.

The Governors are satisfied that the net realisable values of the properties are at least as much as their net book amounts.

14. Investment Property

	2021 Total £
At 1 September 2020	3,015,000
Revaluation of investment property	(90,000)
	<hr/>
Market value at 31 August 2021	2,925,000
	<hr/>
Historical cost	589,400
	<hr/> <hr/>

Part of Lief House is rented out to a third party for the purpose of producing income for the charity. In accordance with accounting standards that element subject to rental is accounted for as an investment property.

The investment property was subject to an independent external valuation on 1 October 2021 on the basis of market value as defined in the Appraisal and Valuation Standards as issued by the Royal Institute of Chartered Surveyors. The last full valuation by an independent third party was undertaken at 1 October 2021 by Eddisons. Having made appropriate enquiries of external experts the Board are satisfied that there is no material difference between the valuation as at 1 October 2021 and the 31 August 2021 year end.

Due to the charitable status of the company, no provision is required for deferred taxation arising from the revaluation gain.

15. Fixed asset investments

	2021 Total £	2020 Total £
Valuation		
At 1 September 2020	79,292	80,501
Net cash fund movements	(4,937)	363
Disposals	(94,941)	(1,572)
Net investment gain in the year	20,586	
	<hr/>	<hr/>
Market value at 31 August 2021	-	79,292
	<hr/>	<hr/>
Historical cost	-	53,502
	<hr/> <hr/>	<hr/> <hr/>
Investments at fair value comprise:		
Unit stock	-	74,355
Cash within investment portfolio	-	4,937
	<hr/>	<hr/>
	-	79,292
	<hr/> <hr/>	<hr/> <hr/>

The fair value of listed investments is determined by reference to the middle of the bid and offer price at the balance sheet date. There are no investments making up more than 5% of the portfolio.

16. Debtors

Amounts falling due within one year:	2021	2020
	£	£
Trade debtors	25,334	52,005
Prepayments and accrued income	3,988	26,402
	<u>29,322</u>	<u>78,407</u>

17. Creditors: amounts falling due within one year

Bank loans and overdrafts	801,220	831,358
Trade creditors	19,199	37,251
Other tax and social security	12,498	8,721
Other creditors	38,505	67,551
Accruals and deferred income	162,370	18,720
	<u>1,033,792</u>	<u>963,601</u>

All bank loans have been reclassified as current liabilities given the loans were repaid in full on 10 January 2022.

Of the above loan balance of £801,220 at 31 August 2021, £395,203 relates to the development loan and £406,017 relates to the Z loan.

Details of leasing arrangements are provided in note 19.

18. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank – Development loan	--	--
Bank – Z loan	-	-
	<u>-</u>	<u>-</u>

Borrowings are repayable as follows:

Within one year	801,220	831,358
Between one and two years	-	-
Between two and five years	-	-
Later than five years	-	-
	<u>801,220</u>	<u>831,358</u>

18. Creditors: amounts falling due after more than one year (continued)**Development Loan**

The Development loan is secured by a fixed charge over Lief House. For details of the valuation of this property see note 13. The loan is repayable over the original term of 20 years to August 2028 and is subject to a rate of interest at 1.5% above the bank's base rate.

Z Loan

The security for this loan is the same as for the Development Loan explained above. Although the loan is repayable over 20 years and is subject to a rate of interest at 2.37% above the bank's base rate, the loan is committed for a five-year term which is due to be renewed in August 2023.

19. Leases**Operating leases - lessee**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than one year	1,887	1,887
Between two and five years	3,303	5,190
Later than five years	-	-
	<hr/>	<hr/>
	5,190	7,077
	<hr/>	<hr/>

Operating leases include three separate leases for the provision of Photocopiers, lease for a Computer and Franking. The entity does not have any finance leases.

20. Contingent liabilities/assets

There were no contingent liabilities or assets at 31 August 2021 or at 31 August 2020.

21. Fund reconciliation

Unrestricted funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Gains/ (losses) £	Balance at 31 August 2021 £
Unrestricted	3,304,066	1,435,611	(1,506,619)	18,566	(69,414)	3,182,210

Restricted funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Gains/ (losses) £	Balance at 31 August 2021 £
Frazer House	1,670,897	-	-	(18,566)	-	1,652,331
Philo Fund	15,620	8,000	(12,842)	-	-	10,778
BNOA	4,888	-	-	-	-	4,888
Capital Bids	22,239	-	-	-	-	22,239
Total	1,713,644	8,000	(12,842)	(18,566)	-	1,690,236

Fund descriptions

See Accounting policy 1.r) for a breakdown of the detail of the restricted funds and their respective uses. The capital fund is restricted for specified items awarded by the University of Plymouth.

The transfer of £18,566 from restricted funds to general funds represents the depreciation incurred on Frazer House.

22. Analysis of net assets between funds

	Unrestricted Funds	Restricted Fund Philo	Restricted fund BNOA	Restricted fund Capital Bids	Restricted Fund - Frazer House	2021 Total
	£	£	£	£	£	£
Fixed assets	1,030,311	-	-	-	1,652,331	2,682,642
Investment Property	2,925,000	-	-	-	-	2,925,000
Net current liabilities	(1,004,470)	-	-	-	-	(1,004,470)
Cash	231,369	10,778	4,888	22,239	-	269,274
Total	3,182,210	10,778	4,888	22,239	1,652,331	4,872,446

23. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net (expenditure) for the year	(145,264)	(227,762)
Dividends, interest and rents from investments	(439)	(964)
Interest payable	16,827	20,116
Interest received	(18)	(388)
Depreciation and impairment of tangible fixed assets	78,744	72,949
(Gain)/loss on investments	(20,586)	1,572
Loss on investment property	90,000	-
Decrease /(Increase) in debtors	49,085	(36,757)
Increase/(decrease) in creditors	100,329	(11,930)
Net cash flow generated from (used by) from operating activities	168,678	(183,164)

24. Financial commitments

The college has no financial commitments at the year end.

25. Events after the end of the period

On 1 September 2021 the merger with the European School of Osteopathy (Osteopathic Education and Research Limited) was completed and from that date all assets, liabilities and activities of the European School of Osteopathy were transferred into the college.

The intention and plans for the merger is to create a new, stronger college delivering courses of the highest quality to its students. As part of the merger process the Trustees have considered financial forecasts and cashflows and are satisfied that the new merged entity will be financially robust and no creditor or third party will suffer financial loss as a result of the merger.

Under the terms of the current loan agreements the current finance facilities will fall due on the merger date and long term debt has been moved to current liabilities as at 31 August 2021. All loans were refinanced on 10 January 2022.

26. Related party transactions and ex gratia payments

There are no related party transactions or ex gratia payments during the period, beyond those stated in Note 11 relating to Governor's expenses / salaries

27. Financial instruments

The charity holds a number of financial assets (for example investments, debtors and cash) and financial liabilities (for example creditors) which meet the definition of basic financial instruments under the FRS 102 SORP. Details of the measurement bases, accounting policies and carrying values for these financial assets and liabilities are disclosed in the notes above. The charity does not hold any derivative financial instruments as of 31 August 2021.

28. Comparative Statement of Financial Activities

	Unrestricted funds £	2020 Restricted funds £	Total £
Income and endowments from:			
Donations and legacies	-	8,000	8,000
Charitable activities	1,214,302	-	1,214,302
Investments	1,352	-	1,352
Other income	39,902	-	39,902
Total income and endowments	<u>1,255,556</u>	<u>8,000</u>	<u>1,263,556</u>
Expenditure on:			
Investment management costs	600	-	600
Charitable activities	1,489,146	-	1,489,146
Total expenditure	<u>1,489,746</u>	<u>-</u>	<u>1,489,746</u>
Net (losses) on investments	(1,572)	-	(1,572)
Gains on investment property	-	-	-
Net (expenditure)/ income	<u>(235,762)</u>	<u>8,000</u>	<u>(227,762)</u>
Transfers between funds	<u>19,156</u>	<u>(19,156)</u>	<u>-</u>
Net movement in funds	<u>(216,606)</u>	<u>(11,156)</u>	<u>(227,762)</u>
Reconciliation of funds:			
Total funds brought forward	3,520,672	1,724,800	5,245,472
Total funds carried forward	<u><u>3,304,066</u></u>	<u><u>1,713,644</u></u>	<u><u>5,017,710</u></u>











BCNO - 31 August 2021 accounts

Final Audit Report

2022-07-21

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