

**The Chartered Association
of Business Schools**

**Annual Report and Financial
Statements**

30 June 2021

Charity Registration Number 1162854

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Reference and administrative details

Members of the Council (Trustees)	Professor Robert MacIntosh (Chair) Professor Martin Broad (Vice Chair) Professor Baback Yazdani (Treasurer) Professor Gloria Agyemang Professor Mohammad Ali Professor Catherine Cassell Professor Toni Hilton Professor Steven McGuire Professor Heather McLaughlin Professor Kamil Omoteso Professor Stewart Robinson Professor Eleanor Shaw
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Report of the Council Year ended 30 June 2021

The Council presents its annual report and audited financial statements for the year ended 30 June 2021 for The Chartered Association of Business Schools (“the Charity” or “the Association”).

The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 30 of the attached financial statements and comply with the charity’s Royal Charter, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

Introduction

The Chartered Association of Business Schools advances the education of the public in business and management in particular through the promotion of management education, training and development so as to improve the quality and effectiveness of management in the United Kingdom.

Objectives and activities

As articulated in the Royal Charter, the Association’s objective is the advancement of education for the public benefit by:

- ◆ advancing the education of the public in business and management in particular through the promotion of business and management education, training and development so as to improve the quality and effectiveness of the practice of management in the United Kingdom;
- ◆ designing and running awards (“the Charter Awards”) providing public recognition to business schools which assist small businesses to succeed;
- ◆ promoting research, organisational structures and communications between members and the public and Government to assist its members in their contributions to society at large;
- ◆ providing a forum for the exchange of ideas and stimulating discussion on the role of business and management education; and
- ◆ organising and facilitating the development of the competence of academic and administrative staff of the member organisations.

Our mission

Supporting and championing business schools for the benefit of business and society.

We deliver our mission through:

- ◆ Lobbying and advocacy
- ◆ Building relationships with key stakeholders, partnering effectively and promoting awareness of the scale, scope and impact of business school research and education.
- ◆ Developing capacity

Objectives and activities (continued)

Our mission (continued)

- ◆ Developing talent, sharing good practice, creating networks and celebrating excellence.
- ◆ Building knowledge and understanding
- ◆ Gathering data, conducting impactful research and sharing insights that support our members to understand the world in which they operate.

We're mindful of significant changes in our operating environment:

- ◆ The central importance of the EDI agenda and our ability to shape agendas by embedding this in our student communities, amongst our staff and in everything we do.
- ◆ Rapid changes in pedagogy as place, space and technology influence possibilities for learning.
- ◆ The extent of organisational change in the wider economy and the opportunities for our research, scholarship and knowledge exchange to have an impact.
- ◆ Significant new multidisciplinary and challenge-led research funds becoming available creating opportunities to collaborate both within and beyond business schools.
- ◆ The changing nature of international partnerships and student recruitment.
- ◆ Changing expectations of employers and students in relation to skills.
- ◆ The pervasive importance of sustainability.

Our Priorities for the year ahead are:

- ◆ Driving the EDI agenda in our schools and ensuring it is embedded in all our activities.
- ◆ Creating spaces for members to share experiences in research, pedagogy and engagement.
- ◆ Helping to focus on the resilience and wellbeing of staff and students.
- ◆ Championing a sustainability agenda.

Our objectives

We meet our objectives through the following activities:

Professional development

We support the development of staff across a number of roles in business schools. Our professional development programmes, conferences and events help develop strategy, skills and knowledge for deans, directors of research, directors of learning and teaching, directors of executive education, heads of professional services, and staff responsible for international strategy, communications and administration.

Objectives and activities (continued)

Our objectives (continued)

An important element of our support for professional development is the Certified Management & Business Educator, a CPD recognition scheme for qualified or experienced educators.

Building networks and knowledge

We act as a hub for sharing new ideas, sector insights and developing best practice. Through our work, members build and maintain valuable networks within the business school community through which individuals are able to identify common challenges, find support and benchmark progress.

Lobbying and influencing

We represent UK business schools to business and government. We engage them on the benefits the sector has on the economy and society, and we seek to influence them on the issues that may affect business schools' ability to deliver high value and impact for students, businesses and wider communities.

The members of the Council confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Association's objectives and aims and in planning future activities.

Review of activities and future plans

The impact of Covid-19

Covid has continued to have a material impact on our work, although along with everyone else, we hope that the coming year will bring a return to a more normal way of operating. We have really missed being able to organise in person gatherings with our members. For the majority of the financial year, our offices were closed and while some of us have started to return, at least occasionally, we have not been able to have the whole team gathered together in the office since March 2020. No members of staff were furloughed, and we did not have to make any redundancies.

No meetings or conferences were able to be held in person, but we have maintained our usual suite of conferences and workshops online. Our development programmes all moved online, with the lack of networking over breaks and dinners being part compensated by the reduction in price. As a result, income from our usual activities decreased, as did the accompanying expenditure.

We continued with a large number of specialist and free to attend community meetings. These proved very popular as a way of members being able to keep in touch with each other and discuss how they were responding to the continuation of the pandemic. These will likely continue post-pandemic, but their frequency will decrease as in-person meetings become possible.

Objectives and activities (continued)

Review of activities and future plans(continued)

Government funded programmes

In 2019 the Chartered ABS was awarded funding through the Department for Business, Energy and Industrial Strategy (BEIS), to conduct a small, randomised control trial through Small Business Charter accredited schools to test the most effective way to support micro-businesses with adoption of technology. Because of Covid this programme changed to a general support function for micro-businesses.

Following on from this, the SBC schools were asked by the Department to provide a general support programme for SMEs through the early Covid months. This programme, the Small Business Leadership Programme (SBLP) was delivered from August 2020 to end of March 2021, whereupon an extension to end of May was granted. In this time over 2,700 SMEs benefitted from the course against a target of 2,000, and which was delivered by 20 SBC schools in England. The independent evaluation was full of praise for the speed at which the Chartered ABS and the business schools were able to respond.

As SBLP was drawing to a close we signed a much larger contract with BEIS to deliver the Help to Grow: Management programme to 30,000 SME leaders over a three-year period. This has resulted in significant recruitment activity to ensure we have the appropriate resources in place to deliver this and has also resulted in a very large number of schools expressing an interest in becoming SBC accredited so that they are eligible to help deliver the programme. Pleasingly, this programme is available across the UK and not just in England. This programme is an enormous vote of confidence in business schools to be able to work together to effectively deliver the programme for the benefit of business leaders and the economy at large.

Lobbying and advocacy

For the most part we have all spent the past year concentrating on delivering effective learning for the students at business schools. We continued to respond to consultations, some which were a direct result of the pandemic, for example the timing of the REF. Research has remained a high profile area with the consultation on the support of PhDs, other work undertaken by the ESRC including the lead role of business schools in cooperation between universities and business.

We supported the work of the British Academy in their 'observatory' work, which this time centred on business schools.

Perhaps the highlight of the year in this respect was the Chancellor of the Exchequer coming to speak to the deans and at a deans' community meeting, and then to have both him and the Secretary of State for BEIS attend business school meetings to see the Help to Grow Management programme in action.

The Scottish Committee secured a really useful meeting with the Convenor of Universities Scotland. We maintain a good working relationship with Welsh Government and have met with colleagues there a number of times over the past twelve months.

Objectives and activities (continued)

Review of activities and future plans(continued)

We maintain close connections with our key partners, which include: British Academy of Management; Department for Business, Energy and Industrial Strategy; Confederation of British Industry; the Federation of Small Businesses; British Council; Association to Advance Collegiate Schools of Business; and Policy Connect.

Development programmes

Thanks to the encouragement of Council, we continued to run our suite of development programmes, all ran virtually to great demand. The lack of opportunity for meeting face-to-face meant the price was considerably lower. Recognising the enormous benefits of meeting in-person for such activities we will be reintroducing that element as soon as we can.

The Deans' and Directors' Development Programme (3DP) for those new in post as a dean, or aspiring to the role, is facilitated by Professor Simon Collinson. We are grateful to Simon for the excellent work he is doing in helping to prepare future business school leaders.

The ever-popular Leaders in Learning & Teaching programme (LLT) for Directors of Learning and Teaching is being expertly facilitated by Loughborough's Dr Keith Pond for the last time. The next facilitator will be Dr Cathy Minett-Smith from University of the West of England.

The Development Programme for Directors of Research (DPDoR), which we offer in partnership with BAM, has continued under the excellent guidance of Professor Graeme Currie from Warwick Business School. We are happy to announce that Professor Natasha Mauthner from Newcastle University Business School will be the next facilitator.

Conferences

The four annual conferences (Chartered ABS Annual Conference, Professional Managers' Annual Conference, Annual Research Conference, and Learning, Teaching & Student Experience) were a great success, despite the shift to the online format. We had record numbers at three conferences and maintained our usual attendance at the fourth. It is very apparent that online does have advantages over in person events. Many more people were able to attend parts of the conferences, an option not previously available, and of course there was no additional disruption caused by the need to travel and to stay overnight. We were also able to offer compelling pricing that reflected the lower cost to us in hosting them. A further positive was the diversity of speakers we were able to secure, given that they too were not encumbered by travel requirements.

We have learned a lot from the past year, but we also know that as much as we have been able to drive broader participation, stronger relationships can be built by in person gatherings. We will return to such events, but hope to learn and maintain some aspects of virtual delivery.

Objectives and activities (continued)

Review of activities and future plans(continued)

CPD workshops and joint events

We have continued our series of seminars including our biannual Executive Education Symposia which have been delivered online and which will return to in-person events as soon as possible. We have continued our series of CMBE CPD workshops to offer practical guidance about teaching practice. Delivered through a network of facilitators these short course online programmes have been very well received and will continue online and in-person in 2021-22. We have continued our SBC events that enable knowledge exchange between SBC member institutions, and these are set to grow and evolve in 2021-22. Over the year we have run a number of co-hosted events to help our members connect with communities in other part of the world. These include events with AACSB, the Australian Business School Deans Council and the Business Schools Association of Canada.

Committee work

In addition to the Council we have ten committees and two working groups – having formed the Race Equality Action Group in 2021. Three of our committees put out calls for new members this year and received over 50 responses. We are delighted that over 140 people representing around 80 of our member institutions sit on these groups. Due to continued demand from the business school community, in 2021 we maintained our series of free, regular on-line community meetings, with topics and speakers chosen by the Committees. 2021 also saw the formation of our New Deans Network.

Publications

This year we published our third Taskforce report; this one on Business Schools and the Public Good. It is full of examples of the often-unrecognised work that business schools engage in. This report was also supported by the ITN Productions work on Business Schools for Good, which is available on our YouTube channel. We are grateful to the Taskforce members for their work, especially those independent of the sector. We are also grateful to the co-Chairs Tom Levitt and Professor Martin Kitchener for their year long work in producing this important publication.

We have produced a number of other publications, some new and some part of our usual annual cycle. In addition to the NSS reports for both business and management, and law; the Research income reports for both subject areas; Graduate outcomes; we produced a report on UCAS end of cycle analysis, and Trends in the provision and popularity of business school programmes.

We also continue to publish short Learning and Teaching papers in our “Perspectives on” series.

We published a report from one of our Scholarship recipients from Adam Smith Business School: The Digital One Minute Paper.

Objectives and activities (continued)

Review of activities and future plans(continued)

Certified Management & Business Educator (CMBE)

The CMBE has reached its second anniversary and we are delighted with the breadth of engagement and continued growth. There are now CMBEs in over 80% of UK business schools and in 28 countries worldwide. Academics holding the CMBE have collectively committed to undertake over 40,000 hours of continuous development in their teaching over those two years, which is a fantastic achievement we can all be proud of, even more so during the pandemic. We're very grateful to the excellent work of the CMBE Professional Standards Board in overseeing this important work, and to the many CMBEs that volunteer to run CPD events and contribute to this growing community.

Small Business Charter

It has been a very busy year for the Small Business Charter as we are now delivering our third Government funded programme to support SMEs. We have seen a very pleasing influx of interest shown in the SBC from schools with 36 accredited and many more planned assessments until the end of the year. With the demand of delivering the Help to Grow: Management programmes to 30,000 SME leaders in a three-year period, we will need all these schools and more, whilst maintaining the high standards demanded by the Charter.

The success of these programmes has helped raise the profile and understanding of business schools amongst those in the political arena and the wider public. We can expect that many of those who have been on one or more of these programmes will derive sufficient benefit to encourage them to maintain their relationship with the business schools well beyond the completion of the programme.

This is a really exciting juncture for the SBC and we had been working on since its inception.

Media coverage

Our media profile has been further enhanced by the Small Business Leadership Programme and the Help to Grow: Management programme. Off the back of these programmes the Chartered ABS, the Small Business Charter, and our members have received coverage across national, regional and trade press, including BBC News and BBC radio.

Digital communications including website and newsletters

Both the Chartered ABS and Small Business Charter websites had record levels of traffic. The Chartered ABS website had 400,000 page views to pages other than the Academic Journal Guide. With over 50,000 newsletter subscribers, our platforms continue to be excellent channels to showcase the work of the sector and encourage debate and knowledge sharing.

Academic Journal Guide

The 2021 edition of the Academic Journal Guide was published on 24 June. We are grateful for the work of the Management Committee, the editorial team and the Scientific Committee during the pandemic. This was a full review and an expanded Guide with 1,700 journals included. We are pleased with the dialogue with the community around responsible usage of the Guide and we look forward to carrying this forward into the 2024 edition.

Objectives and activities (continued)

Review of activities and future plans(continued)

Equality, Diversity and Inclusion

Equality, diversity and inclusion are important to us and we actively promote our strategic principles on diversity. These principles are embedded in our work and activity and promoted to our members. In the past year we published our 'Principles on diversity, equality and inclusion' on our website and every committee has been asked to reflect on this in terms of their work for the Chartered ABS.

At the suggestion of our EDI Committee we established a Race Equality Action Group, to help steer our work in this area. The word "action" is key in this title.

Committee reports

Research Committee

The Annual Research Conference was held online on 11 May 2021 and attracted 120 attendees, which is similar to the attendance at a face-to-face event. A KEF working group formed of members of the Research Committee met during the year. A survey on characteristics of senior research roles in UK business schools was completed which identified training needs for DoRs and established a benchmark related to characteristics of this type of role. New formats for the DPDoR were also explored during 2021. The Committee helped progress the Chartered ABS response to the Declaration on Research Assessment (DORA).

Learning, Teaching and Student Experience (LTSE) Committee

The LTSE Conference took place online on 29 – 30 June and had a record attendance, with much positive feedback. The Committee produced a collaborative and supportive platform for members of the learning and teaching community to develop new ideas without having to make a substantial time commitment in the form of the new 'Perspectives On: Dynamic Conversation' initiative which was announced at the LTSE Conference with a call for contributions. It is hoped that the first 'Dynamic Conversation' consisting of a compilation of papers centred on a dialogue will be published in September as a special edition and be accompanied by a panel discussion.

The committee continued to support the Certified Management & Business Educator (CMBE) initiative and the Leaders in Learning & Teaching (LLT) development programme.

Professional Managers Committee

The 2021 Professional Managers' Annual Conference (PMAC) took place on-line on 28 – 29 April and was well attended with positive feedback. The professional managers' development matrix was completed and published on the Chartered ABS website.

The committee's paper proposing a research project to evidence the impact of centralisation of services on business school professional services teams was approved by Chartered ABS Council and will begin later this year.

Committee reports (continued)

Executive Education Committee

The Committee held a Symposium on 22 June 2021 on the Level 7 SLMDA, which was well attended, with speakers from industry including the NHS. A second Symposium is planned for November 2021. The committee will be collaborating with the Research Committee/KEF Working Group to consider how business schools work with KEF. Following market testing a development programme in executive education, which would cover building internal capacity, as well as internationalisation and with modules on Covid delivery, is being created. Chartered ABS are in the process of appointing a facilitator who would be involved in the design.

International Committee

At the start of the year the committee set out three core priorities for 2021: student access and immigration; international mobility; and digital paths to internationalisation and new realities. It was decided to hold a series of webinars throughout the year to support these priorities. The first of these was held on 27 April on 'How virtual exchanges and mobility programmes are challenging the traditional paradigms of student mobility' with two guest speakers and a high number of registrants. A follow up blog was published on the Chartered ABS website. A second webinar and a workshop are planned for the autumn.

Equality, Diversity and Inclusion (EDI) Committee

The committee took forward a number of initiatives this year – it drafted a set of EDI principles for the Council's committees to adhere to when appointing members. These were approved by Council in June. It oversaw the introduction of the Race Equality Action Group and receives updates and minutes of the Group's meetings; the committee drafted a proposal for a joint Chartered ABS – BAM research project for an annual review of academic gender and race equity in terms of processes and outcomes over five years. This is to be considered by Council later this year; Planning for an event on de-colonising the curriculum; Liaising with the LTSE Committee and the Award Gap Group; Liaised with the Business Schools Association of Canada on strengthening its EDI functions.

Scottish Committee

The Committee has focused on relationship building during this year, having liaised with Scottish Enterprise; proposed the creation of a case study depository for Scottish business schools; and liaised with Universities Scotland. In May the Committee hosted an on-line discussion with the Convenor, Universities Scotland, which covered the areas of research, teaching and policy. The Convenor looks forward to having further dialogue with Chartered ABS and with the Scottish Deans in the future.

Membership and Fellowships Committee

Prior to this year's open call for nominations for Fellows, the Committee met to review, and make some adjustments to, the current criteria for Fellowship. Following this, the call was placed on the Chartered ABS website and the Deans of member schools were notified directly. The following were appointed: Professor Georgina Andrews, Professor Julia Clarke, Dr Andrew Glanfield and Professor Mark Hart.

Committee reports (continued)

Scholarships Committee

The Scholarships Committee met informally throughout the year to monitor the progress of the current scholarships and to consider possible changes to how scholarships will be awarded in future.

Academic Journal Guide Management Committee

The Management Committee operates to good effect over five time-zones; a reflection of the international expertise on the committee. This year they successfully oversaw the delivery of the publication of the AJG 2021.

Remuneration Committee

The Remuneration Committee, which is responsible for, inter alia, the levels of salaries of the Chief Executive and other Chartered ABS staff, has conducted its business via remote meetings to enable it to consider all pertinent items in making its decisions this year.

The salary revisions that we delayed last year have since been implemented, reflecting the financial position of the Association.

Apprenticeships Working Group

The Chair continued to have input into and discussions with IfATE and ESFA - in particular the Group submitted comments to an IfATE consultation on 'Best Practice in Degree Apprenticeships'. Group members took part in a symposium on Level 7 SLMDA organised by the Executive Education Committee. The Group initiated a proposal for a paper on social mobility, and began to collect data and case studies with a view to having the study ready by Spring 2022.

Race Equality Action Group

This Group held its first meeting in January and immediately started a number of initiatives. A priority matrix has been created, with five clusters of work: leadership and culture; staff development and progression; curriculum and students; research; and partnerships and collaboration. These are being actioned by sub-groups. Group members are also working with the Chartered ABS on an event on decolonising the curriculum, and members have also volunteered to work on a joint BAM/EDI Committee project.

Financial review

Results for the period

A summary of the Association's results for the period is given in the statement of financial activities on page 23 of this annual report and financial statements.

The total income for the year was £10,759,116 compared to £1,654,521 in the prior year. The significant increase was driven by Government funded programmes delivered through the Small Business Charter, under restricted funds.

The total expenditure for the year was £10,412,251 compared to £1,458,157 in the prior year. The significant increase was likewise driven by Government funded programmes with funding being transferred to the SBC schools delivering the programmes.

In addition to the above, investment gains of £42,493 (2021: £36,282) were experienced, resulting in a surplus for the year of £389,358 (2020: £232,646), leaving the Chartered ABS in a healthy financial position at year end.

Financial position

The total net assets of the Chartered Association at 30 June 2021 were £1,853,438 (2020: £1,464,080), which were represented by unrestricted funds of £1,672,341 (2020: £1,349,238) and restricted funds of £181,097 (2020: £114,842).

Reserves policy

The intention of the Council is for the Chartered ABS to have reserves to cover between nine and 12 months, preferably towards the higher end. In this calculation we exclude the Government funded programme costs, as these are fully funded through the programmes. However, the standard SBC activities are included within the policy. In essence this means we are looking to hold between £1.15m and £1.5m. At 30 June 2021, the Association's free reserves were £1,407,270. The purpose of reserves is to ensure we are able to withstand any financial shocks, as could have been the case in 2020-21, if a large proportion of our membership is unable to pay their membership subscriptions and have limited finances to fund events attendance.

This has proven a prudent approach and has offered the Association some comfort during the difficult economic times impacting our members and therefore us. We had expected to make a deficit this year, but in the end made a small surplus before the contribution to salaries arising from the Government funded programmes. Our reserves policy remains unchanged.

Council recently approved additional staffing to support the work of the Chartered ABS in delivering value for its members and should enable us to produce more research reports and more events, whether they be online or in-person. The costs associated will reduce the reserves through the coming year and Council is discussing other events and services we may be able to provide to enhance our service to our members.

It is the intention for the SBC restricted funds represent 75% to 100% of annual income.

Investment Policy

In 2019 Council selected to place some of our reserves in a charity investment fund with CCLA. This has reaped rewards in the short-term, although this investment was made as a long-term proposition. Given the initial turmoil in the world markets Council elected to only assign half as much as it originally intended in to, into the fund. The Council review the performance of the fund and remain satisfied with the performance to date, which has driven returns well above holding the funds just in cash. Council has recently made the decision to invest a further £250,000 in the fund, taking the full invested amount to £500,000.

The Chartered ABS will use the investment return to fund activities of the Association for the benefit of its members and in line with the strategy as determined by the Council. It is acknowledged that the principal risk to perpetual reserves such as these is inflation. The policy is to ensure the real value of our reserves are maintained as a minimum. The plan is to distribute 3-4% in perpetuity, and therefore an appropriate medium level of risk will be tolerated.

The trustees are able to tolerate volatility of the capital value of the investment, as long as the Association is able to meet its short-term funding needs through either income or liquid capital assets. Continual underperformance against benchmark will trigger an acceleration of the review of the fund manager. The Association's assets can be invested widely and may be diversified by asset class, by manager and by security. Assets should be invested in line with the aims of the Association and should be made in an ethical and sustainable way and should, for example, exclude investments in gambling, tobacco, controversial weapons, and adult entertainment.

Governance, structure and management

Governance

The Chartered Association of Business Schools is governed by a Council whose members are voting members from our member business schools. Members are elected annually at the Chartered ABS Annual General Meeting, held in November, with approximately one third of the Council stepping down after their three-year terms each year. The Royal Charter and Bye-Laws of The Chartered Association of Business Schools, its incorporating document, lay down the powers, authorities and responsibilities of the Council.

Governance, structure and management (continued)

Members of the Council

Members of the Council (who are also trustees of The Chartered Association of Business Schools for the purposes of charity law) who served during the period and up to the date of this report were:

Professor Gloria Agyemang	
Professor Mohammad Ali	
Professor Martin Broad	
Professor Catherine Cassell	
Professor Nola Hewitt-Dundas	Resigned September 2020
Professor Toni Hilton	
Professor Robert MacIntosh	
Professor Steven McGuire	
Professor Heather McLaughlin	
Professor Kamil Omoteso	
Professor Stewart Robinson	
Professor Eleanor Shaw	Appointed November 2020
Professor Baback Yazdani	

In addition to the above elected members, Dr Emm Barnes was a co-opted member until June 2021 when she was replaced by Dr Janine Ellis.

Induction and training of Council members

Newly appointed Council members, whether elected or co-opted, are provided with an induction pack, which includes the Charter and Bye-Laws, the Charity Commission's guide to responsibilities of trustees ('The Essential Trustee (CC3)'), terms of reference and the latest minutes of the Council and the most recent annual report and financial statements.

All Council members have been provided with a copy of the SORP (FRS 102) which contains the reporting requirements applicable to the financial statements of charities. Council members also have open access to the Secretary to the Council and the senior staff for advice and information.

Governance arrangements

The Council has ten committees: Research; Learning, Teaching and Student Experience; Scottish; Professional Managers; Executive Education; International; Equality, Diversity and Inclusion; Academic Journal Guide; Membership and Fellowship; and Remuneration. The Council members receive reports of all committee activity and also the activities of the Apprenticeships Working Group and the Race Equality Action Group. The terms of reference for all committees are established by the Council and available on the Chartered ABS website.

Small Business Charter

The Small Business Charter (SBC) has its own Management Board, although the annual budget is approved by Council. Within the financial statements the SBC funds are treated as restricted funds.

CMBE Professional Standards Board

The PSB oversees the running of the CMBE, especially in regards to the standards of admission and compliance within the scheme.

Governance, structure and management (continued)

Responsibilities of staff

The Chief Executive is appointed by the Council and has full executive authority for the management of the Association and its staff, as well as devising and recommending to Council suitable strategies and policies and implementing the plans and budgets approved by the Council.

Key management personnel

The Council consider that they, together with the Chief Executive, the Director of Communications and External Relations, and the Finance and Office Manager, comprise the key management personnel of the Association. None of the Council members receive any remuneration from the Association for serving on the Council. The annual pay of all members of staff, including the Chief Executive, is set by the Remuneration Committee and approved by the Council. See note 7 for further details on staff costs.

Further details of transactions with Council members are disclosed in note 12.

Statement of responsibilities of Council members

The Council members, who are trustees under charity law, are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association at the balance sheet date and of the income and expenditure for that period.

In preparing those financial statements Council is required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements. In considering whether it is able to make this statement, in the light of the specificity of charity accounting requirements, Council takes advice from the management of The Chartered Association of Business Schools and the Auditor; and
- ◆ prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Association will continue on that basis.

The Council members are responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, and The Chartered Association of Business School's Charter and Bye-Laws. The Council is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council is responsible for the maintenance and integrity of the financial information on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions. The members of the Council confirm that as far as they are aware, there is no relevant audit information of which the Association's auditor is unaware. They have taken all the steps that they ought to have taken as Council members in order to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

Risk management

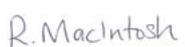
During Council meetings, the Council regularly assesses the major risks to which the Association is exposed, in particular those relating to reputation, operations, finances and delivery of value to the membership. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the Association, they have established effective systems to mitigate those risks.

As in any membership organisation there is a risk of loss of membership income; however, with an active member engagement strategy and providing events and reports that are of value to members, this should be mitigated, as far as possible.

The financial risks are exacerbated by Covid-19 and the economic impact of that on the membership. With in-person events planned for the coming year there is a risk associated with organising events that later need to be cancelled, and the risk that any event impacts the spread of the virus amongst staff and participants. This is mitigated with careful planning, contracting and insurances.

The Government funded programmes have required a rapid increase in the number of staff. There is a concern about our ability to attract and retain appropriate staff. This is mitigated by ensuring we offer attractive working conditions. There is also a concern about the impact of these programmes on cashflow. There is a regular meeting between the Officers of the Council and the Senior Management to review cashflow to ensure the risks are contained.

Approved by the Council and signed on its behalf by:



Professor Robert MacIntosh

Chair

Approved by the Council on: 9 September 2021

Independent auditor's report to the members of The Chartered Association of Business Schools

Opinion

We have audited the financial statements of The Chartered Association of Business Schools (the 'charity') for the year ended 30 June 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charity's affairs as at 30 June 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 Charities Act 2011.

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 accounts, we have concluded that the Council Members' use of the going concern basis of accounting in the preparation of the accounts 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 accounts are authorised for issue.

Our responsibilities and the responsibilities of the Council Members with respect to going concern are described in the relevant sections of this report.

Other information

The Council members are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the Report of the Council is inconsistent in any material respect with the financial statements; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the financial statements are not in agreement with the accounting records; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of Council members

As explained more fully in the statement of responsibilities of the Council members, the Council members 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 Council members 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 Council members 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 Council members 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 these financial statements.

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

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charity through discussions with management, and from our knowledge and experience of the sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011 and data protection legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- Performed substantive testing of expenditure including authorisation thereof.

Independent auditor's report Year ended 30 June 2021

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of Council meetings; and
- Enquiring of management as to actual and potential litigation and claims, including inspecting the relevant correspondence from regulators and advisors;

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 our report

This report is made solely to the Council members, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Council 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 Council members, as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of financial activities Year ended 30 June 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £
Income from:				
Donations	1	12,676	—	12,676
Charitable activities	2	940,949	9,792,538	10,733,487
Other income		12,953	—	12,953
Total income		966,578	9,792,538	10,759,116
Expenditure on:				
Raising funds	3	12,676	—	12,676
Charitable activities	4	673,292	9,726,283	10,399,575
Total expenditure		685,968	9,726,283	10,412,251
Net income before gains on investments		280,610	66,255	346,865
Gains on revaluation of investments	9	42,493	—	42,493
Net income and net movement in funds		323,103	66,255	389,358
Reconciliations of funds				
Fund balances at 1 July 2020		1,349,238	114,842	1,464,080
Fund balances at 30 June 2021	18	1,672,341	181,097	1,853,438

The charity has no recognised gains and losses in the period other than those shown above.

	Notes	Unrestricted funds £	Restricted funds £	2020 total funds £
<i>Income from:</i>				
<i>Donations</i>	1	25,044	—	25,044
<i>Charitable activities</i>	2	1,134,203	488,025	1,622,228
<i>Other income</i>		7,249	—	7,249
<i>Total income</i>		1,166,496	488,025	1,654,521
<i>Expenditure on:</i>				
<i>Raising funds</i>	3	25,044	—	25,044
<i>Charitable activities</i>	4	982,926	450,187	1,433,113
<i>Total expenditure</i>		1,007,970	450,187	1,458,157
<i>Net income before gains on investments</i>		158,526	37,838	196,364
<i>Gains on revaluation of investments</i>	9	36,282	—	36,282
<i>Net income and net movement in funds</i>		194,808	37,838	232,646
<i>Reconciliations of funds</i>				
<i>Fund balances at 1 July 2019</i>		1,154,430	77,004	1,231,434
<i>Fund balances at 30 June 2020</i>	18	1,349,238	114,842	1,464,080

Balance sheet 30 June 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible fixed assets	8	—	—
Investments	9	328,775	286,282
Current assets			
Debtors	10	895,316	342,772
Cash at bank and in hand		2,239,359	1,490,728
		3,134,675	1,833,500
Liabilities:			
Creditors: amounts falling due within one year	11	(1,610,012)	(655,702)
Net current assets			
		1,524,663	1,177,798
Total net assets			
		1,853,438	1,464,080
The funds of the charity:			
Unrestricted funds:			
. General funds		1,407,270	1,126,150
. Designated funds	17	265,071	223,088
Restricted funds	15	181,097	114,842
	18	1,853,438	1,464,080

Approved by the Council
and signed on their behalf by:

R. MacIntosh

Chair

Approved on: 18th October 2021

Statement of cash flows Year ended 30 June 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	748,631	376,390
Cash flows from investing activities:			
Purchase of investments		—	(250,000)
Net cash used in investing activities		—	(250,000)
Change in cash and cash equivalents in the year		748,631	126,390
Cash and cash equivalents at 1 July	B	1,490,728	1,364,338
Cash and cash equivalents at 30 June	B	2,239,359	1,490,728

Notes to the statement of cash flows for the year ended 30 June:

A Reconciliation of net movement in funds to net cash provided by operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	389,358	232,646
Adjustments for:		
Depreciation charge	—	5,572
Gains on investments	(42,493)	(36,282)
(Increase) decrease in debtors	(552,544)	156,637
Increase in creditors	954,310	17,817
Net cash provided by operating activities	748,631	376,390

B Analysis of cash and cash equivalents

	2021 £	2020 £
Total cash and cash equivalents: Cash at bank and in hand	2,239,359	1,490,728

Analysis of changes in net debt

	At 1 July 2020 £	Cash flows £	At 30 June 2021 £
Cash at bank and in hand	1,490,728	748,631	2,239,359

Principal accounting policies Year ended 30 June 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year ended 30 June 2021 and are presented in sterling and rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Council and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- ◆ allocating support costs across charitable activities; and
- ◆ estimating the value of gifts in kind received during the year.

Assessment of going concern

The Council have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Council have made this assessment in respect to a period of one year from the date of approval of these financial statements.

In making this assessment the Council have paid particular attention to the current environment the members are facing and the impact this may have on the charity. Covid-19 has had a significant impact on our work during the year ended 30 June 2021. We have set a cautious budget for the coming year and expect to make a small deficit. However, we have sufficient reserves to accommodate the expected deficit and do not expect to have to make any significant changes to what we offer our members.

The Government funded programme Help to Grow: Management will provide significant cash flow, although will not have an impact on the bottom line as our costs will be met by the funding and we will not make a surplus on the programme. Most of the funds will flow through to the schools delivering the programme.

We are planning for a return in-person events and courses in the coming year, however, we anticipate numbers of attendees will be lower than we have become accustomed to as universities reduce personal development and/or travel budgets for staff. We also anticipate needing to continue to offer an increased number of events virtually, which will be cheaper to run, and therefore at significantly reduced fees. Our development programmes in particular will be heavily impacted as these cannot as effectively be run in a virtual environment.

Although there are expected to be financial implications as a result of the economic uncertainty, the Council members have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. They are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received. Income is recognised on an accruals basis.

Income comprises membership fees, income from conferences and events in relation to the Small Business Charter, application and renewal fees, grant income and donations.

Grants are recognised when the charity has confirmation of both the amount and settlement date. In the event that a grant is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period. Where such grants are funded in arrears, the income is recognised when it is probable that those conditions will be fulfilled in the reporting period, being once the costs have been incurred.

Principal accounting policies Year ended 30 June 2021

Investment income from listed investments is recognised when received. Gifts in Kind are recognised at the market value of the service or product, being the value as advertised on third party websites. This usually consists of room hires, pro-bono work and salesforce licenses.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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 comprises solely of expenditure on charitable activities, which consists of the costs of providing education training to members, running conferences and events, administering the Small Business Charter and running Government grant funded programmes.

Allocation of support and governance costs

Support costs, including governance costs, represent the indirect charitable expenditure incurred in carrying out the primary purposes of the charity. Such costs include the provision of office services and equipment and the public accountability of the charity (including audit costs).

Support costs are apportioned between charitable activities on the basis of staff time spent on each activity.

Pension costs

Retirement benefits to employees of the charity are provided by either the Teachers' Pension Scheme ('TPS'), a defined benefit scheme, or a defined contribution scheme provided by AVIVA. The TPS is closed to new employees.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is a multi-employer scheme and as the charity is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, it has taken advantage of the exemption in FRS 102 and has accounted for the contributions to the scheme as if it were a defined contribution scheme.

The contributions in respect of the defined contribution scheme with AVIVA are recognised in the financial statements in the year which they are payable to the scheme.

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised. Depreciation is provided at the following annual rates in order to write off the cost of each asset over its estimated useful life:

- Office furniture - 3 years

Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Principal accounting policies Year ended 30 June 2021

Fund structure

The charity has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

General funds

Funds which are expendable at the discretion of the Council in furtherance of the objects of the charity.

Designated funds

The Council have designated certain amounts for specific purposes.

Restricted funds

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 costs 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.

Taxation

The Chartered Association of Business Schools is a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Notes to the financial statements Year to 30 June 2021

1 Donations and legacies

	Unrestricted funds	
	2021 £	2020 £
Donations in kind (see note 3)	12,676	25,044

2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2021 £
Membership and subscriptions	706,142	—	706,142
Conferences and events	166,734	—	166,734
Professional development	68,073	—	68,073
Small Business Charter	—	268,740	268,740
Government grant funded programmes			
. Leading to grow programme	—	101,839	101,839
. Small Business Leadership Programme	—	8,772,116	8,772,116
. Help 2 Grow: Management	—	649,843	649,843
	940,949	9,792,538	10,733,487

	Unrestricted funds £	Restricted funds £	2020 £
<i>Membership and subscriptions</i>	<i>670,013</i>	<i>—</i>	<i>670,013</i>
<i>Conferences and events</i>	<i>259,126</i>	<i>—</i>	<i>259,126</i>
<i>Professional development</i>	<i>205,064</i>	<i>—</i>	<i>205,064</i>
<i>Small Business Charter</i>	<i>—</i>	<i>253,965</i>	<i>253,965</i>
<i>Government grant funded programmes</i>			
<i>. Leading to grow programme</i>	<i>—</i>	<i>234,060</i>	<i>234,060</i>
	<i>1,134,203</i>	<i>488,025</i>	<i>1,622,228</i>

3 Raising funds

	Unrestricted funds	
	2021 £	2020 £
Donations in kind (see note 1)	12,676	25,044

4 Expenditure on charitable activities

	Direct £	Support £	2021 £
Membership and subscriptions	130,887	62,223	130,887
Conferences and events	250,853	83,424	250,853
Professional development	73,764	34,141	73,764
Publications and Research	178,947	107,159	178,947
Small Business Charter	202,485	57,363	202,485
Government grant funded programmes			
. Leading to grow programme	88,009	4,568	101,839
. Small Business Leadership Programme	8,601,943	—	8,810,730
. Help 2 Grow: Management	589,660	11,473	650,070
	10,116,548	360,351	10,399,575

	Direct £	Support £	2020 £
<i>Membership and subscriptions</i>	151,633	109,282	260,915
<i>Conferences and events</i>	298,797	101,657	400,454
<i>Professional development</i>	119,201	48,711	167,912
<i>Publications and Research</i>	104,087	49,558	153,645
<i>Small Business Charter</i>	147,915	58,891	206,806
<i>Government grant funded programmes</i>			
<i>Leading to grow programme</i>	243,381	—	243,381
	1,065,014	368,099	1,433,113

The above expenditure analysed by fund was:

	2021 £	2020 £
Unrestricted funds	673,292	982,926
Restricted funds	9,726,283	450,187
	10,399,575	1,433,113

Restricted funds expenditure relates to the programmes detailed in note 15.

5 Support costs

	2021 £	2020 £
Premises costs	148,175	163,309
Administration	52,074	64,705
Staff costs	73,536	73,644
Travel	1,687	3,128
Depreciation	—	5,572
Other expenses	224	1,902
Governance	24,112	18,239
. Audit and accountancy fees	19,320	16,824
. Legal and professional fees	41,223	20,776
	360,351	368,099

Notes to the financial statements Year to 30 June 2021

6 Net income

This is stated after charging:

	2021 £	2020 £
Depreciation	—	5,572
Auditors' remuneration		
. Statutory audit	9,750	11,148
. Other assurance	24,840	1,020
. VAT and taxation	2,220	1,860
. Other services	2,850	2,796
Operating lease rentals		
. Land and buildings	103,239	104,465
. Office equipment	5,823	6,635

7 Staff costs, remuneration of key management and Council members' remuneration

	2021 £	2020 £
Staff costs during the period were as follows:		
Wages and salaries	618,072	531,245
Social security costs	69,936	60,106
Other pension costs	77,104	72,278
	765,112	663,629

The average monthly number of employees during the year was:

	2021 No	2020 No
Employees	13	12

The number of employees whose total remuneration was over £60,000 in the year were as follows:

	No. employees	
	2021	2020
£70,001 – £80,000	1	1
£120,001 – £130,000	—	1
£130,000 – £140,000	1	—

Key management personnel comprise the Council members, the Chief Executive, the Director of Communications and External Relations and the Office Manager. The total remuneration payable (including taxable benefits, employers pension contributions and employers social security costs) in respect to the key management personnel of the charity was £328,322 (2020 - £321,748).

No Council member received any emoluments during the year for services provided to the Chartered Association of Business Schools (2020 – none). Further transactions with Council members are disclosed within note 13.

8 Tangible fixed assets

	Office equipment £
Cost	
At 1 July 2020 and as at 30 June 2021	<u>174,595</u>
Depreciation	
At 1 July 2020 and as at 30 June 2021	<u>174,595</u>
Net book values	
At 30 June 2020	—
At 30 June 2021	<u>—</u>

9 Listed investments

	2021 £	2020 £
Market value as at 1 July	286,282	—
Additions at cost	—	250,000
Net gains on revaluation	42,493	36,282
Market value as at 30 June	<u>328,775</u>	<u>286,282</u>
Cost as at 30 June	<u>250,000</u>	<u>250,000</u>

Listed investments held at 30 June 2021 and 30 June 2020 comprised principally of units in the COIF Charities Investment Fund, a United Kingdom common investment fund managed by CCLA Investment Management Limited.

10 Debtors

	2021 £	2020 £
Trade debtors	389,994	224,740
Other debtors	31,544	32,201
Accrued income	399,170	11,221
Prepayments	74,608	74,610
	<u>895,316</u>	<u>342,772</u>

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,071,843	14,278
Accruals and deferred income	518,632	624,395
Social security & pension creditor	19,537	17,029
	1,610,012	655,702

Trade creditors above includes amounts due to Business Schools as part of the Government grant funded programmes. These amounts were settled post year end upon the receipt of the associated funding.

Deferred income relates to membership fees in advance and courses, events and conferences to be held after the year end. Movements on deferred income are shown below:

	2021 £	2020 £
Balance as at 1 July	552,057	575,399
Amount released to income	(552,057)	(575,399)
Amount deferred in the year	451,646	552,057
Balance as at 30 June	451,646	552,057

12 Pension commitments

The charity participates in the Teachers' Pension Scheme and a defined contribution scheme provided by AVIVA. The Teachers' Pension Scheme is currently closed to new employees. Membership to the AVIVA scheme is available to all employees who are not contributing to the Teachers' Pension Scheme.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The charity is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the charity has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The charity has set out above the information available on the plan and the implications for the charity in terms of the anticipated contribution rates.

12 Pension commitments (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £53,268 (2020: £49,806).

AVIVA Pension Scheme

This is a defined contribution scheme. Employer pension costs in respect of the scheme amounted to £23,834 (2020 - £22,472).

13 Transactions with Council Members

No Council member received any emoluments during the period for services provided to The Chartered Association of Business Schools (2020 – none).

During the period, no Council member's were reimbursed for expenses for travel and subsistence (2020 – £nil).

The Council consists of members of senior management from member business schools. All Council members attended events and conferences hosted by the Association during the year (2020 - all). The fees for event attendance were charged on the same terms as for other members and were met by Council member's respective employers.

14 Financial commitments

At 30 June the Association had total commitments under non-cancellable leases as follows:

	2021		2020	
	Land and buildings £	Office equipment £	Land and buildings £	Office equipment £
Operating lease payable				
Within one year	127,399	3,069	127,399	—
Between 2 to 5 years	241,186	10,971	368,934	—

15 Restricted funds

	At 1 July 2020 £	Income £	Expenditure £	Transfers £	At 30 June 2021 £
Small Business Charter	114,842	268,740	(202,485)	—	181,097
Leading to grow programme	—	101,839	(101,839)	—	—
Small Business Leadership Programme		8,772,116	(8,772,116)	—	—
Help to Grow: Management		649,843	(649,843)	—	—
	114,842	9,792,538	(9,726,283)	—	181,097

Small Business Charter

The Small Business Charter is an awards programme run by The Chartered Association of Business Schools but is governed by a separate Management Board. Income received in respect of the awards programme is not in itself subject to donor imposed restrictions; however the Bye-Laws of The Chartered Association of Business Schools stipulate that any surpluses on the awards programme are utilised in a manner approved by the Management Board. The Chair and senior management team of The Chartered Association of Business Schools are not voting members of the Management Board of the Small Business Charter.

While it is the intention that the Small Business Charter awards programme is self-funding, in the event that the programme becomes a drain on the resources of the charity, the Council have the right to close down the Small Business Charter. In such circumstances, any unspent balance on the fund will revert to unrestricted funds in accordance with the absence of conditions attached to the receipt of the associated income.

15 Restricted funds (continued)

Leading to Grow Programme

Leading to Grow Programme relates to funding for the Small Business Charter from BEIS to trial the effectiveness of one-to-one support in accelerating new technology take up by SMEs, including micro-businesses. Because of Covid, the focus has been broadened to include business survival

The programme ran from 1 September 2019 to 31 December 2020. .

Transfers between funds represents staff time spent by Small Business Charter staff on this programme that is not fully funded by the BEIS funding.

Small Business Leadership Programme

This relates to the BEIS sponsored programme to help 2,000 small businesses survive the economic turmoil caused by Covid. It ran from August 2020 to May 2021.

Help to Grow: Management

This relates to the BEIS sponsored programme announced in the Chancellor's budget in March 2021, with the aim of 30,000 supporting small businesses over three years. Our contract was signed in April 2021 and will run through to March 2024.

	At 1 July 2019 £	Income £	Expenditure £	Transfers £	At 30 June 2020 £
<i>Small Business Charter</i>	77,004	253,965	(206,806)	(9,321)	114,842
<i>Leading to grow programme</i>	—	234,060	(243,381)	9,321	—
	<u>77,004</u>	<u>488,025</u>	<u>(450,187)</u>	<u>—</u>	<u>114,842</u>

16 Tangible fixed assets fund

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets. The fund recognises the fact that the assets are required for the day-to-day operation of the charity and are not available for other purposes or as a general reserve.

	At 1 July 2020 £	New designation £	Utilised/ released £	At 30 June 2021 £
Tangible fixed asset fund	—	—	—	—

	At 1 July 2019 £	New designation £	Utilised/ released £	At 30 June 2020 £
Tangible fixed asset fund	5,572	—	(5,572)	—

17 Designated funds

The unrestricted funds of the charity include the following funds designated for specific purposes.

	At 1 July 2020 £	New designation £	Utilised/ released £	At 30 June 2021 £
Scholarships fund	91,451	—	(510)	90,941
New projects fund	25,355	—	—	25,355
Property fund	70,000	—	—	70,000
Investment fund (note 18)	36,282	42,493	—	78,775
Total	223,088	42,493	(510)	265,071

	At 1 July 2019 £	New designation £	Utilised/ released £	At 30 June 2020 £
Scholarships fund	61,451	30,000	—	91,451
New projects fund	25,355	—	—	25,355
Property fund	50,000	20,000	—	70,000
Investment fund (note 18)	—	36,282	—	36,282
Total	136,806	86,282	—	223,088

Scholarships fund

This fund is to be used for Chartered ABS scholars to conduct research relevant for members.

New projects fund

This fund is to be used towards the development of any new major projects the Association undertakes. The last project that fell under this title was the creation of the Certified Management and Business Educator (CMBE) scheme.

Property fund

This fund has been set aside to cover future property related costs.

Investment fund

This fund represents the cumulative unrealised gain on listed investments which cannot be applied towards charitable purposes without prior liquation of investments.

Notes to the financial statements Year to 30 June 2021

18 Net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total funds 2021 £
Tangible fixed assets	—	—	—	—
Investments	250,000	78,775	—	328,775
Current assets	2,549,209	186,296	399,170	3,134,675
Current liabilities	(1,391,939)	—	(218,073)	(1,610,012)
Total	(1,407,270)	265,071	181,097	1,853,438

	General funds £	Designated funds £	Restricted funds £	Total funds 2020 £
<i>Tangible fixed assets</i>	—	—	—	—
<i>Investments</i>	250,000	36,282	—	286,282
<i>Current assets</i>	1,495,422	186,806	151,272	1,833,500
<i>Current liabilities</i>	(619,272)	—	(36,430)	(655,702)
<i>Total</i>	<i>1,126,150</i>	<i>223,088</i>	<i>114,842</i>	<i>1,464,080</i>

The above funds include accumulated unrealised gains on listed investments as follows:

	2021 £	2020 £
Reconciliation of movements in unrealised gains on investment assets		
Accumulated unrealised gains at 1 July	36,282	—
Net gains arising on revaluation in period	42,493	36,282
Accumulated unrealised gains at 30 June	78,775	36,282