

Charity Registration No. 1076159

Company Registration No. 02631747 (England and Wales)

**INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|-----------------------------|--|--|
| Trustees | Professor P Jones Dr D Higgins Professor G Maas Professor S N Roper Mr L Sear Professor K Trehan Mr A P Wall Ms B O'Dwyer Professor A G Henley Dr K Watson Professor C Seaman Dr A Carradus Dr J Lockyer Dr E Vettraino Professor N Vershinina Dr L Treanor Dr E Kromidha Ms A F Meikle | (Appointed 18 June 2020) (Appointed 18 June 2020) |
| Charity number | 1076159 | |
| Company number | 02631747 | |
| Registered office | Old Linen Court 83-85 Shambles Street Barnsley S70 2SB | |
| Independent examiner | N Stuart GBAC Limited Old Linen Court 83-85 Shambles Street Barnsley South Yorkshire S70 2SB | |

INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

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INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees present their report and accounts for the year ended 31 December 2019.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Objectives and activities

The charitable objectives of ISBE are to promote the advancement of public education by research into matters relating to small business and entrepreneurship and by the publication of the useful results of such research.

The main activities for the year continued to be supporting entrepreneurship education, research and practice.

The strategies adopted to assist in meeting the objectives, include organising an annual conference, publishing research, disseminating information and provoking debate relating to all aspects of entrepreneurship and small business through the ISBE website, ISBE's monthly news bulletin, Doctoral Days, workshops, meetings and events. ISBE also provides publication opportunities via conference papers and a new book series. In addition ISBE also funds research into small business and entrepreneurship with the anticipation to generate an entrepreneurial community of practice to facilitate knowledge exchange and transfer. Furthermore, the organisation also manages the Research and Knowledge Exchange Fund, which has a specific aim to support the exploration of issues, challenges and opportunities surrounding entrepreneurial activities and small firm performance within the contemporary UK economy.

The trustees have read the guidance on public benefit issued by the Charity Commission and are mindful of their duty to ensure that all of ISBE's activities fall within the scope of the guidance.

Achievements and performance

This year has been one of continued progression within the organisation under the guidance of the President, Professor Gideon Maas, with the support of the ISBE Executive and the ISBE team. Professor Maas stepped down as President at the November 2019 conference to be replaced by Professor Kiran Trehan.

ISBE continued to provide high levels of membership services, including the continuation of our highly popular monthly news bulletin which goes out to 1,466 contacts and a wider social media network of 11.1K in this field: an increase of 436 and 2.7K respectively over the past twelve months. New content for the ISBE website continued to be a major area of focus in 2019, and there have been an increase in news pieces, especially from the Institute's Special Interest Groups (see below), to engage with the membership. A social media policy has also been agreed, given the increase in Special Interest Group marketing activities.

The Institute continues to work towards its 2020 strategic roadmap (<https://isbe.org.uk/about-us/strategic-roadmap-2020/>), and 2019 marks another very productive year for the Institute. As part of its 3-year strategic plan, ISBE focuses on four main areas of growth and development – customer segmentation, the growth of our Special Interest Groups (SIGs), conference strategy and governance. ISBE is also organising more events and workshops than ever before, bringing together the ISBE community of academics, policymakers and practitioners. Events have been led by our SIGs and the Institute has also supported sixteen workshops in topics as diverse as Entrepreneurship Education Assessment & Impact, Entrepreneurial Finance for Green Innovative SMEs, Writing, Publishing and the Dissemination of Creative Industries Entrepreneurship Research and the Sociology of Family Business. This was an increase of seven workshops compared with the previous year. The Institute also organised two writing retreats for academics, one for Early Career Researchers and the other for Family Business researchers. We also partnered with the European Council of Small Businesses (ECSB) to offer a series of online webinars, available to members of both organisations, as part of their membership. In addition, the Institute continued to promote and market a wide range of relevant events in the UK and Europe during the year.

INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

Customers

ISBE's vision is to connect its membership and their communities to pursue excellence in small business and entrepreneurship, and this connectivity is a major part of the Institute's remit. With this in mind, ISBE continued to organise and host a series of workshops and events from members and non-members throughout 2019, and has done a lot of work to grow its social media presence in the industry. ISBE continued its active presence on social media, particularly on Twitter (7,327 followers at year-end, increasing by 1,861 in the past year) and LinkedIn (3,839 followers, an increase of 491), increasing its number of followers, and communicating and engaging better with ISBE members and other interested people.

Membership numbers stood at 320 at the end of 2019 (a slight increase from 2018).

For 2019 ISBE continued to offer its Research and Knowledge Exchange (RAKE) fund, which provides financial support to new research activities. The fund was created with the aim of assisting the exploration of issues, challenges and opportunities surrounding entrepreneurial activities and small firm performance, and to encourage and promote cutting-edge research that is relevant to both the development of policy and practice.

The *International Journal of Entrepreneurial Behaviour & Research* (IJEBR) has continued its association with ISBE as its nominated journal. IJEBR continues to grow its international reputation and returned a full Clarivate Analytics impact factor of 2.391 for 2019; this figure was 1.839 in 2018. In addition, a 2019 cite score of 4.75 was returned by Scopus, which again represented an increase from 3.23 in 2018. The journal continues to increase the number of articles it publishes and in 2020 will look to publish eight issues with over 80 papers. The Journal's editorial team has now grown to eight co-editors to cope with the increased workload and growth of the journal. All journal metrics continue to be very positive in terms of increased downloads and number of citations.

Special Interest Groups (SIGs)

By the end of 2019, the Institute had 11 SIGs. The SIGs are: Creative Industries Entrepreneurship; Early Career Researcher Forum (ECR); Entrepreneurial Finance; Entrepreneurship in Minority Groups; the Entrepreneurship Studies Network (ESN); Family Business; the Gender and Enterprise Network (GEN); Practice & Impact (formerly Entrepreneurial Learning, Practice and Policy); Rural Entrepreneurship Network (REN); SME Growth; and Social and Sustainable Enterprise (SSE). In 2019, ISBE SIGs continued to put on events and provide an excellent forum for members to engage with one another and other stakeholders and to produce articles, responses and other outputs. There were also two Communities of Interest that put on events: the Psychology of Entrepreneurship and Small Business; and Research in Enterprise Education.

Conference

In 2019, ISBE hosted its Annual Conference in Newcastle attracting 336 delegates from a wide range of countries, including leading small business researchers and academics, policy makers and practitioners. The event also included a networking drinks reception and a gala dinner. ISBE 2019 saw a continued increase in the number of papers being delivered at the conference (over 250). The guest speakers at the conference included: the Ambassador for Creative and Digital for the North East, Lucy Batley; Chi Onwurah MP; Professor Monder Ram of the Centre for Research in Ethnic Minority Entrepreneurship at Aston University; and Margo Thomas PhD, Founder and President of the Women's Economic Imperative. The conference attracted good levels of sponsorship and exhibition income, which resulted in a healthy conference surplus. The 2020 conference is to take place in Cardiff, pending Government advice regarding Covid-19. An online alternative is currently being prepared as a contingency. Venues for ISBE 2021 are currently under review.

Governance

The running of the Institute in 2019 benefitted from adherence to the set of bye-laws drawn up in 2017. The board has agreed a budget for 2020 that will generate a small profit. ISBE is delighted by the progress that has been made in building its community over the past year and is looking forward to a successful coming year.

INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

Financial review

The charity derives the majority of its income from membership fees, delegate fees and sponsorship directly associated with the conference. Over this period ISBE has looked to build on these income streams with income also being derived from the sale of conference proceeding and delegate fees for workshops.

The trustees consider it prudent that ISBE hold a sufficient reserve in its accounts to ensure that should one of its income streams be lower than expected in a given period the organisation has sufficient surplus funds to continue with its core activities for one year. Total unrestricted reserves of the charity at 31 December 2019 were £87,618 (31 December 2018 £119,939).

The reserves are held on interest bearing deposit and represent the most significant asset of the charity. The trustees are satisfied that sufficient procedural controls are in place so that the risk of unauthorised use of deposit funds is minimal.

The results as shown on the attached financial statements together with the state of affairs of the Company are considered satisfactory.

Under the memorandum and articles of association, the charity has the power to make any investment which the trustees see fit. The charity has no investments other than bank deposit accounts.

Structure, governance and management

The principal activity of the company in the year under review was that of advancing the development and understanding of enterprise and small business.

The trustees, who are also the directors for the purpose of company law, who served during the year and up to the date of signing the financial statements were:

| | |
|------------------------|-----------------------------|
| Professor P Jones | |
| Dr K J Smith | (Resigned 14 November 2019) |
| Dr D Higgins | |
| Professor G Maas | |
| Dr S Raby | (Resigned 8 July 2020) |
| Professor S N Roper | |
| Mr L Sear | |
| Professor K Trehan | |
| Mr A P Wall | |
| Ms B O'Dwyer | |
| Professor A G Henley | |
| Dr J Li | (Resigned 18 June 2020) |
| Dr K Watson | |
| Professor L Galloway | (Resigned 18 June 2020) |
| Professor L Foss | (Resigned 18 June 2020) |
| Professor C Seaman | |
| Dr A Carradus | |
| Dr J Lockyer | (Appointed 18 June 2020) |
| Dr E Vettraino | (Appointed 18 June 2020) |
| Professor N Vershinina | (Appointed 18 June 2020) |
| Dr L Treanor | (Appointed 18 June 2020) |
| Dr E Kromidha | (Appointed 18 June 2020) |
| Ms A F Meikle | (Appointed 18 June 2020) |

INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees shall constitute a Board for the management of the affairs of the Institute. The Board is responsible for the overall policy and direction of the association, and delegates responsibility of day-to-day operations to all staff and committees. The Board shall have up to 16, but not fewer than 12 members. The Board receives no compensation.

All Board members shall serve four year terms, but are eligible for re-election for up to two consecutive terms.

The immediate past President is expected to attend Board meetings for a period of one year in an advisory non-voting capacity.

No person shall be eligible to be a member of the Board of Trustees unless he or she shall be a member of the Institute or a representative duly authorised by a corporation, which is a member of the Institute. Normally, the Board of Trustees should not consist of more than two members from any organisation at the time of their appointment to the Board.

In addition, resignation from the board must be in writing and received by the Treasurer/Secretary. A Board member shall be terminated from the Board due to excess absences, considered more than two unexcused absences from Board meetings in a year. A Board member may be removed for other reasons by majority of two-thirds vote of the remaining Board of Trustees. In such instances, the Board member in question will be formally written to by a member of the Executive and informed of this decision.

Not less than five weeks prior to the date of the Annual General Meeting each year, the Trustees shall issue to every member of the Institute, a list of duly qualified persons whom they nominate as members of the Board of Trustees. There shall be printed on the list, a summary of the Articles and bye-laws relating to the election of Trustees, and a date (which shall be not less than 20 days prior to the Annual General Meeting) on or before which nominations by members must be received at the Institute's offices.

Two or more members may nominate any other duly qualified member for election as a Trustee by delivering such nomination in writing to the offices of the Institute together with the written consent of such person to accept office if elected. Such nomination shall specify the name, address and occupation of the candidate.

If the number of candidates duly nominated for election as Trustees does not exceed the number of vacancies, the persons so nominated shall be deemed and declared to be elected at the Annual General Meeting. In other cases an election by ballot shall be held, at the Annual General Meeting.

The Executive Committee, elected by and from the Board, comprises the President, Vice Presidents each of whom is responsible for specific areas of activity and the Treasurer. These officers hold their position for a period of four years and may then be re-elected for one further four year period. Both Vice Presidents and Trustees may hold no more than two consecutive periods of office. The Executive Committee gives strategic direction to ISBE's activities and monitors the charity's finances between meetings. In addition the ISBE Council provide stakeholder feedback and strategic advice.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The board of trustees was supported by a Business Development and Events Manager during the year.

The trustees' report was approved by the Board of Trustees.

.....
Professor K Trehan
Trustee
Dated:

.....
Mr A P Wall
Trustee

INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

I report to the trustees on my examination of the financial statements of Institute for Small Business and Entrepreneurship (the charity) for the year ended 31 December 2019.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

N Stuart
FCCA
For and on behalf of
GBAC Limited
Old Linen Court
83-85 Shambles Street
Barnsley
South Yorkshire
S70 2SB

Dated:

INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

| | Notes | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total 2019 £ | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total 2018 £ |
|---|-------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Income from: | | | | | | | |
| Voluntary income | 3 | 15,282 | - | 15,282 | 16,793 | - | 16,793 |
| Charitable activities | 4 | 133,340 | - | 133,340 | 126,967 | - | 126,967 |
| Investments | 5 | 154 | - | 154 | 75 | - | 75 |
| Total income | | 148,776 | - | 148,776 | 143,835 | - | 143,835 |
| Expenditure on: | | | | | | | |
| Charitable activities | 6 | 170,668 | 10,415 | 181,083 | 144,180 | 20,151 | 164,331 |
| Net outgoing resources before transfers | | (21,892) | (10,415) | (32,307) | (345) | (20,151) | (20,496) |
| Gross transfers between funds | | (10,415) | 10,415 | - | (31) | 31 | - |
| Net expenditure for the year/ Net outgoing resources | | (32,307) | - | (32,307) | (376) | (20,120) | (20,496) |
| Other recognised gains and losses | | | | | | | |
| Other gains or losses | 11 | (14) | - | (14) | (41) | - | (41) |
| Net movement in funds | | (32,321) | - | (32,321) | (417) | (20,120) | (20,537) |
| Fund balances at 1 January 2019 | | 119,939 | - | 119,939 | 120,356 | 20,120 | 140,476 |
| Fund balances at 31 December 2019 | | 87,618 | - | 87,618 | 119,939 | - | 119,939 |

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

| | Notes | 2019 £ | £ | 2018 £ | £ |
|--|-------|----------------|---------------|----------------|----------------|
| Fixed assets | | | | | |
| Property, plant and equipment | 12 | | 290 | | 1,198 |
| Current assets | | | | | |
| Trade and other receivables | 13 | 6,316 | | 9,482 | |
| Cash at bank and in hand | | 102,103 | | 131,810 | |
| | | <u>108,419</u> | | <u>141,292</u> | |
| Current liabilities | 14 | (21,091) | | (22,551) | |
| Net current assets | | | 87,328 | | 118,741 |
| Total assets less current liabilities | | | <u>87,618</u> | | <u>119,939</u> |
| Income funds | | | | | |
| Unrestricted funds | | | 87,618 | | 119,939 |
| | | | <u>87,618</u> | | <u>119,939</u> |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2019.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on

.....
Professor K Trehan
Trustee

.....
Mr A P Wall
Trustee

Company Registration No. 02631747

INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Charity information

Institute for Small Business and Entrepreneurship is a private company limited by guarantee incorporated in England and Wales. The registered office is Old Linen Court, 83-85 Shambles Street, Barnsley, S70 2SB.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

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

The accounts have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for membership fees, workshop attendance fees, conference fees, sponsorship, grants and the sale of sundry items.

INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.5 Resources expended

Support costs include central functions and conference management costs. Support costs relating to the operation of the administration office are separately recorded and have been allocated to the Cost of Generating Voluntary Income. Support costs relating to the management of the conference have been allocated to the operating costs of the conference under Charitable Expenditure.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

| | |
|--------------------|-------------|
| Computer equipment | 25% on cost |
|--------------------|-------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of non-current assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

At the reporting date, the company had no employees.

1.11 Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subject to restrictions on their expenditure imposed by the donor.

2 Critical accounting estimates and judgements

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

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

INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Voluntary income

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Membership fees and sponsorship (excluding conference) | 15,282 | 16,793 |

Membership fees

During the year, membership fees relating to the year ended 31 December 2020 were received in the sum of £10,957. These fees have not been included within the income of the charity for this year, but are included within creditors due within one year under the heading of 'Other creditors' on the balance sheet. Membership fee income of £12,787 has been included within membership fee income in these accounts, which was received in the year ended 31 December 2018, in relation to the current year. This amount was included within creditors due within one year under the heading of 'Other creditors' at 31 December 2018.

4 Charitable activities

| | Conference delegates, sponsors and exhibitors £ | Workshops £ | Total £ | Total 2018 £ |
|------------------------------------|---|----------------|------------|--------------------|
| Sales within charitable activities | 131,010 | 2,330 | 133,340 | 126,967 |

5 Investments

| | Unrestricted funds 2019 £ | Unrestricted funds 2018 £ |
|---------------------|------------------------------------|------------------------------------|
| Interest receivable | 154 | 75 |

INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Charitable activities

| | Charitable activities 2019 £ | Charitable activities 2018 £ |
|--|---------------------------------------|---------------------------------------|
| Conference promotion and facility costs | 73,485 | 54,858 |
| Workshops | 2,866 | 1,026 |
| | <u>76,351</u> | <u>55,884</u> |
| Grant funding of activities (see note 7) | 10,415 | 20,151 |
| Share of support costs (see note 8) | 89,535 | 82,682 |
| Share of governance costs (see note 8) | 4,782 | 5,614 |
| | <u>181,083</u> | <u>164,331</u> |
| Analysis by fund | | |
| Unrestricted funds | 170,668 | 144,180 |
| Restricted funds | 10,415 | 20,151 |
| | <u>181,083</u> | <u>164,331</u> |

The amount of expenditure in relation to the 2020 conference included within prepayments at 31 December 2019 was £4,416.

7 Grants payable

| | Charitable activities £ | 2018 £ |
|-------------------------|-------------------------------|---------------|
| Grants to institutions: | | |
| RAKE fund | 8,461 | 14,614 |
| SIG fund | 1,954 | 5,537 |
| | <u>10,415</u> | <u>20,151</u> |
| | <u>10,415</u> | <u>20,151</u> |

INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8 Support costs

| | Support costs | Governance costs | 2019 | 2018 | Basis of allocation |
|--------------------------------------|---------------|------------------|---------------|---------------|---------------------|
| | £ | £ | £ | £ | |
| Depreciation | 908 | - | 908 | 2,915 | |
| Computer software and internet costs | 2,665 | - | 2,665 | 4,406 | |
| Travel and subsistence | 6,016 | - | 6,016 | 5,693 | |
| Postage and stationery | 377 | - | 377 | 302 | |
| Marketing costs | 61,462 | - | 61,462 | 53,170 | |
| Bank charges | 1,595 | - | 1,595 | 2,238 | |
| Sundry | 112 | - | 112 | 210 | |
| Administration | 16,400 | - | 16,400 | 13,748 | |
| Accountancy | - | 4,782 | 4,782 | 4,878 | Governance |
| Legal and professional | - | - | - | 736 | Governance |
| | <u>89,535</u> | <u>4,782</u> | <u>94,317</u> | <u>88,296</u> | |
| Analysed between | | | | | |
| Charitable activities | <u>89,535</u> | <u>4,782</u> | <u>94,317</u> | <u>88,296</u> | |

9 Trustees

No member of the Board of Trustees received any remuneration for their services during either of the last two years.

Expenses in respect of travelling and subsistence were paid to 3 Trustees, totalling £471 (2018 £426) during the year.

10 Taxation

No Corporation Tax is chargeable due to the Company's Charitable status.

The Institute is exempt from all forms of taxation.

11 Other gains or losses

| | 2019 | 2018 |
|-------------------------|-----------|-----------|
| | £ | £ |
| Foreign exchange losses | 14 | 41 |
| | <u>14</u> | <u>41</u> |

INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

12 Property, plant and equipment

| | Computer equipment £ |
|------------------------------------|-------------------------|
| Cost | |
| At 1 January 2019 | 13,106 |
| At 31 December 2019 | 13,106 |
| Depreciation and impairment | |
| At 1 January 2019 | 11,908 |
| Depreciation charged in the year | 908 |
| At 31 December 2019 | 12,816 |
| Carrying amount | |
| At 31 December 2019 | 290 |
| At 31 December 2018 | 1,198 |

13 Trade and other receivables

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade receivables | - | 260 |
| Other receivables | 176 | - |
| Prepayments and accrued income | 6,140 | 9,222 |
| | 6,316 | 9,482 |

14 Current liabilities

| | 2019 £ | 2018 £ |
|------------------------------|-----------|-----------|
| Trade payables | 521 | 1,584 |
| Other payables | 15,957 | 17,787 |
| Accruals and deferred income | 4,613 | 3,180 |
| | 21,091 | 22,551 |

INSTITUTE FOR SMALL BUSINESS AND ENTREPRENEURSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

| | Balance at 1 January 2018 | Outgoing Transfers from resources | unrestricted funds | Balance at 1 January 2019 | Outgoing Transfers from resources | unrestricted funds | Balance at 31 December 2019 |
|-----------|------------------------------|--------------------------------------|-----------------------|------------------------------|--------------------------------------|-----------------------|-----------------------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| RAKE fund | 18,977 | (14,614) | - | 4,363 | (8,461) | 4,098 | - |
| SIG fund | 1,143 | (5,537) | 31 | (4,363) | (1,954) | 6,317 | - |
| | <u>20,120</u> | <u>(20,151)</u> | <u>31</u> | <u>-</u> | <u>(10,415)</u> | <u>10,415</u> | <u>-</u> |

16 Analysis of net assets between funds

| | Unrestricted Funds | Restricted Funds | Total |
|---|-----------------------|---------------------|---------------|
| | £ | £ | £ |
| Fund balances at 31 December 2019 are represented by: | | | |
| Property, plant and equipment | 290 | - | 290 |
| Current assets/(liabilities) | 87,328 | - | 87,328 |
| | <u>87,618</u> | <u>-</u> | <u>87,618</u> |