

Empire College London Limited
Financial Statements
31 March 2021

ADRIAN & CO
Chartered Certified Accountants & statutory auditor
1417/1419 London Road
Norbury
London
SW16 4AH

Empire College London Limited

Financial Statements

Year ended 31 March 2021

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Empire College London Limited

Officers and Professional Advisers

Director

Mr Q A Kakar

Registered office

Forset House
16-20 Clements Road
Ilford
Essex
IG1 1BA

Auditor

Adrian & Co
Chartered Certified Accountants & statutory auditor
1417/1419 London Road
Norbury
London
SW16 4AH

Empire College London Limited

Director's Report *(continued)*

Year ended 31 March 2021

The director presents his report and the financial statements of the company for the year ended 31 March 2021.

Legal status and principal activity:

Empire College London is a private educational provider registered in England in 2003 as a private Limited company by shares with a single director and proprietor.

The College currently operates from one campus delivering higher education for those individuals who wish to become future graduates in the areas of business, management, and teaching.

Vision and Mission

Our courses are accredited by recognised awarding bodies, which allow students to develop current theoretical knowledge and practical skills in their chosen subjects. Students have the opportunity to gain a qualification that will enable them to improve job prospects or progress onto further studies.

Our Goals:

- To deliver an outstanding student experience
- To maintain and develop excellence in academic standards
- To ensure all our students and staff have access to high quality, safe and secure learning environment
- To encourage and facilitate the development of students and staff
- To represent value for money while raising and widening participation in Further and Higher Education

Our Aims:

- **Professional:** to act with professionalism at all times
- **Inspiring:** to motivate, encourage and support all individuals within the College to realise their potential and achieve their goals
- **Respect:** to behave respectfully towards all and value everyone's inputs and ideas equally
- **Honesty and integrity:** to be transparent, fair, open, and trusting

Governance/Management arrangements and Internal Control statement

The following statement is provided to enable the wider audience reading these financial statements to obtain a better understanding of the College's governance/management arrangement, internal controls and legal structure. This statement covers the period from 1st April 2020 to 31st March 2021 and up to the date of approval of these financial statements.

Empire College London is a small private educational provider registered in England as a Private Limited company by shares with a single director and proprietor.

The College at present only operates at one location. No partnerships arrangements are in place with other providers in terms of delivery as a lead or subcontracting partner.

Empire College London Limited

Director's Report *(continued)*

Year ended 31 March 2021

Our governance/management structure:

The sole Director and senior management team are responsible for the operation, decision making, strategic direction and overall, wellbeing of the College. The team recognises the importance of good quality management and governance, which result in:

- Leading the College in meeting and setting its goals
- Ensuring effective management and controls are in place to support students and staff and that these continue to remain in place.
- Ensuring that as a company entrusted with public/private funds that these are utilised in a correct manner
- Providing high-quality teaching, learning and support to students and staff.
- Meeting the regulatory and legal requirements set by external organisations.
- Operating in a transparent and responsible way in accordance with statutory and regulatory requirements

The senior management team, along with the Director, have a clear remit to carry out the above, and individual departmental managers have clear operational responsibilities within their departments. Delegation to departmental managers is used effectively to ensure timely completion of all necessary operations and a division of duties leading to clear audit trails, administration, and compliance with all regulatory requirements.

The senior management team, departmental managers and the Director meet regularly to consider strategic developments, undertake efficient monitoring of the College, review and implement policies and review management performance, making continuous improvements in all areas.

These management meetings are planned and recorded for quality assurance purposes. Staff and student representatives are present at these meetings. Their views are considered as part of the college quality assurance process and have been effective not only in the evaluation of programs but also seen to effect necessary and important change to benefit all stakeholders of the College.

The Management team have a strong commitment to continuous improvement and is fully involved in determining the College's strategic direction; It is committed to raising standards and providing a quality experience and environment for its learners. The team take their responsibilities seriously in relation to their statutory duties including safeguarding, health & safety and equality and diversity.

The SMT and departmental managers are responsible for the following:

Quality Monitoring and Oversight

Quality of Teaching & Learning

Student engagement & well being

Student outcomes

Financial Sustainability

Risk Management

Employment

Legal Duty requirements

Meeting regulatory requirements

Empire College London Limited

Director's Report *(continued)*

Year ended 31 March 2021

The current management and governance arrangements within the College are adequate and effective for the size of the organisation. This is evidenced through outcomes of internal and external quality assurance reviews, financial standing, staff, and student success/achievement and meeting the legal duties over the past years.

The College management & governance structure may not be the conventional structure that is present at the majority of higher education providers, however considering the context of which the College operates, its size and its legal form, the current structure is adequate. The expertise and experience of the current team are strong to meet the college objectives; however, independent professional advice is adopted for areas where further direction may be required.

The College recognise that this area is to be reviewed externally as the College develops to ensure that the effectiveness of its governance and management arrangements continue, are appropriate to the size and structure of the College and that these remain in place.

The senior management team work efficiently with managers and staff to support the development and improvements of the College. They bring considerable, relevant expertise to their roles and challenge managers appropriately. Senior and departmental managers have a strong relationship which contributes to developing a culture of constant improvement across the College.

Having a strong and effective management and governance structure has contributed to the College in meeting its legal and regulatory duties in terms of an educational provider and a private limited company and in meeting internal college procedures and aspirations. The College follows a rigorous quality cycle to maintain and enhance standards across the College. This is supported by the input of all staff and students.

The Director and senior management team is provided with regular and timely information on the overall financial performance of the College, together with other information such as performance of student recruitment, student achievement and retention, proposed quality matters and personnel-related matters, such as health and safety and environmental issues.

The senior management approach of quality over quantity has continued, as having a reasonable number of students for the size of the College has allowed effective monitoring of all aspects of the College, which contributes to the direction of the College and not just reacting to external pressures.

The College maintains a register of financial and personal interests (Register of Interests) of the senior management team and is updated on an annual basis.

Internal control:

The Director and senior management team have the overall responsibility for maintaining a sound system of internal control and risk assessment. This supports the achievement of the college objectives while safeguarding the funds, assets for which it is responsible for and to detect and prevent fraud, bribery, and other irregularities.

The system of internal control is designed to manage risk and is based on an ongoing process intended to identify and prioritise the risks in order to achieve the college objectives, to evaluate the likelihood of those risks being realised, the impact should they be realised, and to manage them efficiently, effectively, economically and in a timely manner.

Empire College London Limited

Director's Report *(continued)*

Year ended 31 March 2021

The system of internal control is based on a framework of regular management information and administrative procedures, which include:

Segregation of duties - that no one person is responsible for doing everything.

Effective financial management policies to ensure that College funds and resources are used only for college purposes and that appropriate financial controls are developed, documented and applied to prevent the abuse or misuse of funds and other resources.

Preventative controls – These are designed to discourage errors or irregularities from occurring. They are proactive actions that support the College to ensure objectives are being met.

Detective controls - These are designed to find any errors or irregularities after they have occurred.

Senior management team receiving regular reports on internal control and risk and reviewing these to ensure these remain effective.

Risk management reviews including, business, operational, financial, compliance, and reputational.

The monitoring of the completion of relevant returns required for OfS and other regulatory bodies ensuring adequate oversight. This ensures that the ongoing conditions of registration are maintained, and any areas of concern are addressed in a timely manner.

External auditors' annual management letter highlighting any weaknesses in the control environment and advising on any recommendations to rectify the weaknesses.

The College internal control and risk assessment practices help to ensure that:

- Activities and operations function effectively and efficiently.
- Activities and operations comply with laws, regulations, and college policies and standards.
- Processes result in accurate and reliable financial information and reports.
- Resources are adequately protected.
- All material risks, including business, operational, financial, compliance, and reputational, are routinely identified and assessed and appropriately managed.
- Control activities and other mechanisms are proactively designed to address and manage significant risks relevant to the structure of the College.
- Information critical to identifying risks and meeting the college goals is communicated through established channels throughout the College.
- Controls are monitored, and identified problems are addressed in a timely manner.
- Optimising success by minimising threats and maximising opportunities.
- That all staff are familiar with college policies and processes regarding internal controls.

The College has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been applied to mitigate those risks. The College recognise that there is a formal ongoing process for identifying, evaluating and managing the risks, which has been in place for the period ending 31 March 2021.

No significant internal control weaknesses or failures have arisen during the period ending 31 March 2021.

Empire College London Limited

Director's Report *(continued)*

Year ended 31 March 2021

Director

The director who served the company during the year was as follows:

Mr Q A Kakar

Director's responsibilities statement

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Empire College London Limited

Director's Report *(continued)*

Year ended 31 March 2021

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 25 October 2021 and signed on behalf of the board by:



Mr Q A Kakar
Director

Registered office:
Forets House, 16-20 Clements Road
Ilford, Essex IG1 1BA

Empire College London Limited

Independent Auditor's Report to the Members of Empire College London Limited

Year ended 31 March 2021

Opinion

We have audited the financial statements of Empire College London Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Office for Students' Accounts Direction

In our opinion, in all material respects:

- Where applicable, funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- The requirements of the Office for Students' accounts direction for the year's financial statements have been met.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Empire College London Limited

Independent Auditor's Report to the Members of Empire College London Limited *(continued)*

Year ended 31 March 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies' exemptions in preparing the director's report and from the requirement to prepare a strategic report.

We have nothing to report to you in respect of the following matter, in relation to the requirement of the Office for Students' accounts direction where:

- The College's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.

Empire College London Limited

Independent Auditor's Report to the Members of Empire College London Limited *(continued)*

Year ended 31 March 2021

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

The extent to which audit was considered capable of detecting irregularities, including fraud

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.

However, it is the primary responsibility of management to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operate in.
- focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, employment and health and safety legislation.
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.
- enquired of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considered the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- tested journals entries to identify unusual transactions and transactions entered into outside the normal course business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [https://www.frc.org.uk /auditors responsibilities](https://www.frc.org.uk/auditors-responsibilities). This description forms part of our auditor's report.

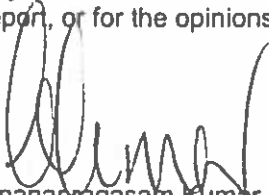
Empire College London Limited

Independent Auditor's Report to the Members of Empire College London Limited *(continued)*

Year ended 31 March 2021

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Gnanapragasam Kumar (Senior Statutory Auditor)

For and on behalf of
Adrian & Co
Chartered Certified Accountants & statutory auditor
1417/1419 London Road
Norbury
London
SW16 4AH

25 October 2021

Empire College London Limited

Statement of Comprehensive Income

Year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	4	839,395	757,022
Cost of sales		<u>231,486</u>	<u>254,052</u>
Gross profit		607,909	502,970
Administrative expenses		<u>263,891</u>	<u>259,812</u>
Operating profit	5	344,018	243,158
Other interest receivable and similar income	9	<u>68</u>	<u>82</u>
Profit before taxation		344,086	243,240
Tax on profit	10	<u>66,439</u>	<u>41,821</u>
Profit for the financial year and total comprehensive income		<u>277,647</u>	<u>201,419</u>

All the activities of the company are from continuing operations.

The notes on pages 16 to 22 form part of these financial statements.

Empire College London Limited

Statement of Financial Position

31 March 2021

	Note	2021 £	£	2020 £
Fixed assets				
Tangible assets	12		45,424	17,177
Current assets				
Debtors	13	125,140		85,351
Cash at bank and in hand		385,313		250,733
		<u>510,453</u>		<u>336,084</u>
Creditors: amounts falling due within one year	14	<u>138,556</u>		<u>136,587</u>
Net current assets			<u>371,897</u>	<u>199,497</u>
Total assets less current liabilities			<u>417,321</u>	<u>216,674</u>
Creditors: amounts falling due after more than one year	15		<u>14,000</u>	<u>-</u>
Net assets			<u>403,321</u>	<u>216,674</u>
Capital and reserves				
Called up share capital	17		100	100
Profit and loss account			403,221	216,574
Shareholders funds			<u>403,321</u>	<u>216,674</u>

These financial statements were approved by the board of directors and authorised for issue on 25 October 2021, and are signed on behalf of the board by:



Mr Q A Kakar
Director

Company registration number: 04725514

The notes on pages 16 to 22 form part of these financial statements.

Statement of Changes in Equity

Year ended 31 March 2021

	Called up share capital £	Profit and loss account £	Total £
At 1 April 2019	100	113,155	113,255
Profit for the year	—	201,419	201,419
Total comprehensive income for the year	—	201,419	201,419
Dividends paid and payable	—	(98,000)	(98,000)
Total investments by and distributions to owners	—	(98,000)	(98,000)
At 31 March 2020	100	216,574	216,674
Profit for the year	—	277,647	277,647
Total comprehensive income for the year	—	277,647	277,647
Dividends paid and payable	—	(91,000)	(91,000)
Total investments by and distributions to owners	—	(91,000)	(91,000)
At 31 March 2021	100	403,221	403,321

The notes on pages 16 to 22 form part of these financial statements.

Empire College London Limited

Statement of Cash Flows

Year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	277,647	201,419
<i>Adjustments for:</i>		
Depreciation of tangible assets	11,141	8,222
Other interest receivable and similar income	(68)	(82)
Tax on profit	66,439	41,821
Accrued expenses	2,504	2,000
<i>Changes in:</i>		
Trade and other debtors	(39,789)	21,946
Trade and other creditors	(21,137)	12,056
Cash generated from operations	296,737	287,382
Interest received	68	82
Tax paid	(45,838)	(29,675)
Net cash from operating activities	<u>250,967</u>	<u>257,789</u>
Cash flows from investing activities		
Purchase of tangible assets	(39,388)	(10,208)
Net cash used in investing activities	<u>(39,388)</u>	<u>(10,208)</u>
Cash flows from financing activities		
Proceeds from borrowings	1	(4,083)
Payments of finance lease liabilities	14,000	-
Dividends paid	(91,000)	(98,000)
Net cash used in financing activities	<u>(76,999)</u>	<u>(102,083)</u>
Net increase in cash and cash equivalents	134,580	145,498
Cash and cash equivalents at beginning of year	250,733	105,235
Cash and cash equivalents at end of year	<u>385,313</u>	<u>250,733</u>

The notes on pages 16 to 22 form part of these financial statements.

Empire College London Limited

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Forset House, 16-20 Clements Road, Ilford, Essex, IG1 1BA.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Debtors

Basic financial assets, including trade and other debtors, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Judgements and key sources of estimation uncertainty

In preparing these financial statements the management has made judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Revenue recognition

Revenue from the provision of Tuition services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied: - the amount of revenue can be measured reliably; - it is probable that the company will receive the consideration due under the contract; - the stage of completion of the contract at the end of the reporting period can be measured reliably; and - the costs incurred and the costs to complete the contract can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Empire College London Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Employee benefits

The company contributes to a defined contribution plan for the benefit of its employees. Contributions are recognised in profit or loss as they become payable.

Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions, and other short term highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Basic financial liabilities, including trade and other creditors, loans from third parties and loans from related parties, are initially recognised at transaction price, unless the agreement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Such instruments are subsequently carried at amortised cost using the effective interest method, less any impairment.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	10% straight line
Motor Vehicle	-	25% straight line
Equipment	-	25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Empire College London Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Empire College London Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

4. Turnover

Turnover arises from:

Details of grant and fee income	2020-2021	2019-2020
Grant income from the OfS	-	-
Grant income from other bodies	-	-
Fee income for taught awards	£839,395	£757,022
Fee income for research awards	-	-
Fee income from non-qualifying courses	-	-

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom

5. Operating profit

Operating profit or loss is stated after charging:

	2021	2020
	£	£
Depreciation of tangible assets	<u>11,141</u>	<u>8,222</u>

6. Auditor's remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	<u>7,000</u>	<u>6,500</u>

7. Staff costs

The average number of persons employed by the company during the year, including the director, amounted to:

	2021	2020
	No.	No.
Production staff	<u>12</u>	<u>14</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020
	£	£
Wages and salaries	99,732	65,256
Social security costs	16,415	19,644
	<u>116,147</u>	<u>84,900</u>

8. Director's remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	<u>18,000</u>	<u>18,000</u>

Empire College London Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

Analysis of Senior staff pay

Key senior staff are those persons having authority for planning, directing, and controlling the activities of the College and are represented as the Senior Management Team.

No key senior staff member, including the Head of Provider, has a basic salary of over £100,000 per annum in the current or prior year.

The total Head of provider remuneration:	2021	2020
Basic Salary	£18,000	£18,000
Dividends	£91,000	£98,000
Other performance-related pay or bonuses	Nil	Nil
Pension contributions	Nil	Nil
Other benefits	Nil	Nil

No other payments were made to the Head of Provider in relation to benefits (taxable or non-taxable) or any other remuneration.

Relationship of Head of provider basic pay and total remuneration expressed as a multiple:

The pay multiple is expressed as the full-time equivalent of the Head of the provider's remuneration/basic salary divided by the median pay at the provider (also calculated on a full-time equivalent basis).

Head of provider's basic salary as a multiple of the median pay of all staff.

2021	2020
1.0	1.0

Head of provider's total remuneration as a multiple of the median remuneration of all staff.

2021	2020
6.1	7.0

As part of the OfS accounts direction, providers must have due regard to the CUC senior staff remuneration code. The use of the code is voluntary and may not be appropriate to all providers. The College has not fully adopted the code; however, consideration is given to some elements of the code and remuneration is decided based on the context in which the College operates and its legal form.

The performance of key senior staff is reviewed as part of the College's appraisal framework to assess value, judge performance and consider any additional emolument.

Decisions on the salaries and remuneration of key senior staff are informed by market intelligence, including data on other similar education providers of comparable size, institutional and personal performance, and affordability.

The remuneration of the Head of Provider is commensurate with the duties and obligations of the office.

There were no other key senior staff members who received annual emoluments over £100,000.

No severance or compensation for loss of office payments were made.

The College did not apply for the Coronavirus Job Retention Scheme during the financial year.

Empire College London Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

9. Other interest receivable and similar income

	2021 £	2020 £
Interest on bank deposits	68	82

10. Tax on profit

Major components of tax expense

	2021 £	2020 £
Current tax:		
UK current tax expense	66,439	41,821
Tax on profit	<u>66,439</u>	<u>41,821</u>

11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2021 £	2020 £
Dividends on equity shares	<u>91,000</u>	<u>98,000</u>

12. Tangible assets

	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 April 2020	89,865	15,300	98,620	203,785
Additions	–	36,000	3,388	39,388
At 31 March 2021	<u>89,865</u>	<u>51,300</u>	<u>102,008</u>	<u>243,173</u>
Depreciation				
At 1 April 2020	89,865	15,300	81,443	186,608
Charge for the year	–	6,000	5,141	11,141
At 31 March 2021	<u>89,865</u>	<u>21,300</u>	<u>86,584</u>	<u>197,749</u>
Carrying amount				
At 31 March 2021	<u>–</u>	<u>30,000</u>	<u>15,424</u>	<u>45,424</u>
At 31 March 2020	<u>–</u>	<u>–</u>	<u>17,177</u>	<u>17,177</u>

13. Debtors

	2021 £	2020 £
Trade debtors	115,866	84,641
Prepayments and accrued income	9,274	710
	<u>125,140</u>	<u>85,351</u>

Empire College London Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

14. Creditors: amounts falling due within one year

	2021	2020
	£	£
Payments received on account	4,500	6,600
Trade creditors	16,974	21,861
Accruals and deferred income	11,619	9,115
Corporation tax	66,439	45,838
Social security and other taxes	37,474	49,220
Director loan accounts	255	254
Net Wages control ac	1,295	3,699
	<u>138,556</u>	<u>136,587</u>

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

	2021	2020
	£	£
Obligations under finance leases and hire purchase contracts	<u>14,000</u>	<u>—</u>

16. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2021	2020
	£	£
Later than 1 year and not later than 5 years	<u>14,000</u>	<u>—</u>

17. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

18. Analysis of changes in net debt

	At 1 Apr 2020	Cash flows	At 31 Mar 2021
	£	£	£
Cash at bank and in hand	250,733	134,580	385,313
Debt due within one year	(254)	(1)	(255)
Debt due after one year	—	(14,000)	(14,000)
	<u>250,479</u>	<u>120,579</u>	<u>371,058</u>

19. Related party transactions

The ultimate controlling party of the company is Mr Q Kakar who is also the director of the company.