

COMPANY REGISTRATION NUMBER: 04725514

Empire College London Limited
Financial Statements
31 March 2023

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 2023

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Empire College London Limited

Officers and Professional Advisers

Director	Mr Q A Kakar
Registered office	Forest 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

Year ended 31 March 2023

The director presents his report and the financial statements of the company for the year ended 31 March 2023.

Legal status and principal activity:

Empire College London is a private educational provider registered in England since 2003. The College is a Private Limited company with a single director and proprietor.

In 2023, the College opened an additional campus in Birmingham, expanding its provision in the delivery of 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, allowing students to develop 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 in 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 a 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 values:

- 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

Empire College London Limited

Director's Report

Year ended 31 March 2023

Governance/Management Arrangements and Internal Control Statement

The following statement is provided to enable readers of the financial statements to better understand the College's governance/management arrangements and legal structure. This statement covers the period from 1st April 2022 to 31st March 2023 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 with a single director and proprietor.

No partnership arrangements are in place with other providers in terms of delivery as a lead or subcontracting partner.

Our governance/management structure:

The sole Director and senior management team are responsible for the operation, decision-making, strategic direction and overall well-being of the College. The team recognises the importance of good quality management and governance, which results 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, 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 transparently and responsibly in accordance with statutory and regulatory requirements

The senior management team and 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 the 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 an important part of the College quality assurance process and have been effective not only in the evaluation of programmes but also seen to encourage necessary and important change to benefit all stakeholders of the College and to maintain transparency of decision-making.

Empire College London Limited

Director's Report

Year ended 31 March 2023

The Management team has 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 all its students and staff. The team takes their responsibilities seriously concerning their statutory duties, including safeguarding, health and safety, and equality and diversity.

The SMT and departmental managers are responsible for the following:

Monitoring and Oversight

Quality of Teaching & Learning

Student engagement & well-being

Student outcomes

Financial Sustainability

Risk Management

Employment

Meeting regulatory and statutory requirements

The current management and governance arrangements within the College are adequate and effective for the organisation's size and the delivery at the new campus. This is evidenced through outcomes of internal and external quality assurance reviews, financial standing, staff and student feedback, student success/achievement and meeting the legal duties over the past years. However, due to the College's recent expansion, this will be evaluated for effectiveness and changes made where required.

The College management and governance structure may be different from the conventional structure at many larger higher education providers; however, considering the context in which the College operates, its size and its legal form, the current structure is appropriate. 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 senior management team works 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.

An effective management structure has contributed to the College meeting its legal and regulatory duties in terms of being an education provider, a private limited company and 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 and allows the College to identify the strengths and work on any development areas in a timely manner.

The Director and senior management team are updated 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, teaching and learning, student and staff support, proposed quality matters and personnel-related matters.

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.

Empire College London Limited

Director's Report

Year ended 31 March 2023

The College maintains a register of financial and personal interests (Register of Interests) of the senior management team and departmental managers, which is updated annually.

The College recognises that the governance and management arrangements are to be reviewed externally as the College develops to ensure that the effectiveness of its arrangements continues to be appropriate to the size and structure of the College and that these remain in place. Independent advice and guidance support the college's development and compliance with regulatory changes.

Internal control:

The Director and senior management team are responsible for maintaining a sound system of internal control and risk assessment. This supports the achievement of the college's objectives while safeguarding the funds and assets for which it is responsible and detecting and preventing fraud, bribery, and other irregularities.

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

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.

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

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

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

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

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

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

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

The College's 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.
- 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.
- That all staff are familiar with college policies and processes regarding internal controls.

No significant internal control weaknesses or failures have arisen during the period ending 31 March 2023.

Empire College London Limited

Director's Report

Year ended 31 March 2023

Director

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

Mr Q A Kakar

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Director's responsibilities statement

The director is responsible for preparing the strategic report, 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 2023

This report was approved by the board of directors on 25 August 2023 and signed on behalf of the board by:



Mr Q A Kakar
Director

Registered office:
Forest 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 2023

Opinion

We have audited the financial statements of Empire College London Limited (the 'company') for the year ended 31 March 2023 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 2023 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:

- 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 relevant 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 2023

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 strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have 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 strategic report or 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.

We have nothing to report in respect of the following matters where the Office for Students' accounts direction requires us to report to you if:

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

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.

Empire College London Limited

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

Year ended 31 March 2023

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 preventions and detections 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/auditorsresponsibilities>. 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 2023

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 August 2023

Empire College London Limited
Statement of Comprehensive Income
Year ended 31 March 2023

	Note	2023 £	2022 £
Turnover	4	892,622	844,258
Cost of sales		331,687	304,098
Gross profit		560,935	540,160
Administrative expenses		307,040	302,205
Operating profit	5	253,895	237,955
Other interest receivable and similar income	9	1,565	46
Profit before taxation		255,460	238,001
Tax on profit	10	47,670	46,717
Profit for the financial year and total comprehensive income		207,790	191,284

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 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	305,711	37,763
Current assets			
Debtors	13	94,029	101,064
Cash at bank and in hand		370,084	531,704
		<u>464,113</u>	<u>632,768</u>
Creditors: amounts falling due within one year	14	<u>162,429</u>	<u>190,926</u>
Net current assets		<u>301,684</u>	<u>441,842</u>
Total assets less current liabilities		<u>607,395</u>	<u>479,605</u>
Net assets		<u>607,395</u>	<u>479,605</u>
Capital and reserves			
Called up share capital	15	100	100
Profit and loss account		<u>607,295</u>	<u>479,505</u>
Shareholders funds		<u>607,395</u>	<u>479,605</u>

These financial statements were approved by the board of directors and authorised for issue on 25 August 2023, 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.

Empire College London Limited
Statement of Changes in Equity
Year ended 31 March 2023

	Called up share capital £	Profit and loss account £	Total £
At 1 April 2021	100	403,221	403,321
Profit for the year	—	191,284	191,284
Total comprehensive income for the year	—	191,284	191,284
Dividends paid and payable	11	(115,000)	(115,000)
Total investments by and distributions to owners	—	(115,000)	(115,000)
At 31 March 2022	100	479,505	479,605
Profit for the year	—	207,790	207,790
Total comprehensive income for the year	—	207,790	207,790
Dividends paid and payable	11	(80,000)	(80,000)
Total investments by and distributions to owners	—	(80,000)	(80,000)
At 31 March 2023	<u>100</u>	<u>607,295</u>	<u>607,395</u>

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 2023

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	207,790	191,284
<i>Adjustments for:</i>		
Depreciation of tangible assets	15,090	14,587
Other interest receivable and similar income	(1,565)	(46)
Gains on disposal of tangible assets	(12,144)	–
Tax on profit	47,670	46,717
Accrued expenses	9,187	3,471
<i>Changes in:</i>		
Trade and other debtors	7,035	24,076
Trade and other creditors	(13,137)	43,121
Cash generated from operations	259,926	323,210
Interest received	1,565	46
Tax paid	(46,717)	(66,439)
Net cash from operating activities	214,774	256,817
Cash flows from investing activities		
Purchase of tangible assets	(305,538)	(6,926)
Proceeds from sale of tangible assets	34,644	–
Net cash used in investing activities	(270,894)	(6,926)
Cash flows from financing activities		
Payments of finance lease liabilities	(3,500)	(10,500)
Dividends paid	(102,000)	(93,000)
Net cash used in financing activities	(105,500)	(103,500)
Net (decrease)/increase in cash and cash equivalents	(161,620)	146,391
Cash and cash equivalents at beginning of year	531,704	385,313
Cash and cash equivalents at end of year	370,084	531,704

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 2023

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 2023

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 2023

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 2023

4. Turnover

Turnover arises from:

	2023	2022
	£	£
Rendering of services	805,551	790,213
Other significant types of revenue - Sales incentives	<u>87,071</u>	<u>54,045</u>
	<u>892,622</u>	<u>844,258</u>

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

Details of grant and fee income	2022-2023	2021-2022
Grant income from the OfS	-	-
Grant income from other bodies	-	-
Fee income for taught awards	£805,551	£790,213
Fee income for research awards	-	-
Fee income from non-qualifying courses	-	-

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2023	2022
	£	£
Depreciation of tangible assets	15,090	14,587
Gains on disposal of tangible assets	<u>(12,144)</u>	<u>-</u>

6. Auditor's remuneration

	2023	2022
	£	£
Fees payable for the audit of the financial statements	<u>7,000</u>	<u>7,000</u>

7. Staff costs

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

	2023	2022
	No.	No.
Production staff	<u>14</u>	<u>13</u>

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

	2023	2022
	£	£
Wages and salaries	107,913	115,492
Social security costs	<u>24,902</u>	<u>30,047</u>
	<u>132,815</u>	<u>145,539</u>

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8. Director's remuneration

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

	2023	2022
	£	£
Remuneration	24,000	24,000

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:	2023	2022
Basic Salary	£24,000	£24,000
Dividends	£80,000	£115,000
Other performance-related pay or bonuses	-	-
Pension contributions	-	-
Other benefits	-	-

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

2023	2022
1.0	1.0

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

2023	2022
4.3	5.7

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 for 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

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

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.

No other key senior staff members received annual emoluments over £100,000.

No severance or compensation for loss of office payments were made

9. Other interest receivable and similar income

	2023	2022
	£	£
Interest on bank deposits	<u>1,565</u>	<u>46</u>

10. Tax on profit

Major components of tax expense

	2023	2022
	£	£
Current tax:		
UK current tax expense	<u>47,670</u>	<u>46,717</u>
Tax on profit	<u>47,670</u>	<u>46,717</u>

11. Dividends

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

	2023	2022
	£	£
Dividends on equity shares	<u>80,000</u>	<u>115,000</u>

12. Tangible assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 April 2022	–	89,865	54,200	106,034	250,099
Additions	259,771	2,599	37,999	5,169	305,538
Disposals	–	–	(36,000)	–	(36,000)
At 31 March 2023	<u>259,771</u>	<u>92,464</u>	<u>56,199</u>	<u>111,203</u>	<u>519,637</u>
Depreciation					
At 1 April 2022	–	89,865	31,025	91,446	212,336
Charge for the year	–	650	9,500	4,940	15,090
Disposals	–	–	(13,500)	–	(13,500)
At 31 March 2023	<u>–</u>	<u>90,515</u>	<u>27,025</u>	<u>96,386</u>	<u>213,926</u>
Carrying amount					
At 31 March 2023	<u>259,771</u>	<u>1,949</u>	<u>29,174</u>	<u>14,817</u>	<u>305,711</u>
At 31 March 2022	<u>–</u>	<u>–</u>	<u>23,175</u>	<u>14,588</u>	<u>37,763</u>

13. Debtors

	2023	2022
	£	£
Trade debtors	83,608	90,643
Prepayments and accrued income	10,421	10,421
	<u>94,029</u>	<u>101,064</u>

14. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	36,624	41,257
Accruals and deferred income	24,277	15,090
Corporation tax	47,670	46,717
Social security and other taxes	53,572	62,107
Obligations under finance leases and hire purchase contracts	—	3,500
Dividends payable	—	22,000
Director loan accounts	255	255
Net Wages control ac	31	—
	<u>162,429</u>	<u>190,926</u>

15. Called up share capital**Issued, called up and fully paid**

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

16. Analysis of changes in net debt

	At 1 Apr 2022	Cash flows	At 31 Mar 2023
	£	£	£
Cash at bank and in hand	531,704	(161,620)	370,084
Debt due within one year	(3,755)	3,500	(255)
	<u>527,949</u>	<u>(158,120)</u>	<u>369,829</u>

17. Related party transactions

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