

COMPANIES HOUSE

Marine Learning Alliance Ltd

**Annual Report and Audited
Financial Statements**

30 September 2019

Company Registration Number
9188277 (England and Wales)



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Reference and administrative information

Marine Learning Alliance Ltd is a private company, limited by shares, registered in England and Wales.

Directors	Paul James Yucel Enver Ince Coskun Dr Basak Akdemir Christopher Gaunt
Secretary	Dr Basak Akdemir
Registered office	1 Birdcage Walk London SW1H 9JJ
Company registration number	9188277 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Commercial Bank Level 27 1 Churchill Place London E14 5HP

Directors' report for the year ended 30 September 2019

The directors present their report and the audited financial statements for the year ended 30 September 2019.

Principal activities

The principal activity of the company is the provision of online and distance learning degrees in a range of Maritime and Marine based subjects.

Directors

The directors shown below have held office during the whole period of 1 October 2018 to 30 September 2019 unless otherwise stated.

Directors	Appointed / Resigned
Dr Jane Smallman	Resigned July 2019
Dr Richard Thain	Resigned July 2019
David Loosley	Resigned May 2020
Paul James	
Yucel Enver	Appointed July 2019
Ince Coskun	Appointed July 2019
Dr Basak Akdemir	Appointed July 2019
Christopher Gaunt	Appointed June 2020

The directors do not hold any shares in the company.

Responsibilities of the directors

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing these financial statements, the directors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements 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.

Directors' report for the year ended 30 September 2019

The directors are 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 Company's Act 2006. They are 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.

Approved on behalf of the board and signed on their behalf by:



(Paul James)

Director

Approved on: 3 November 2020.

Company Registration Number: 9188277 (England and Wales)

Independent auditor's report 30 September 2019

Independent auditor's report to the members of Marine Learning Alliance Ltd

Opinion

We have audited the financial statements of Marine Learning Alliance Ltd (the 'company') for the year ended 30 September 2019 which comprise the statement of income and retained earnings, the statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its loss for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report 30 September 2019

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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.

Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Directors' 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 Directors' 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 directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Independent auditor's report 30 September 2019

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on pages 2 to 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of this 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.



Edward Finch (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

16/11/20

Statement of income and retained earnings Year to 30 September 2019

	Notes	2019 £	2018 £
Income		421,858	470,878
Cost of sales		<u>319,050</u>	<u>303,963</u>
Gross profit		102,808	166,915
Administrative expenses		<u>310,920</u>	<u>232,369</u>
Operating loss		(208,112)	(65,454)
Interest payable		—	—
Loss on ordinary activities before taxation		(208,112)	(65,454)
Taxation		—	—
Loss on ordinary activities after taxation		(208,112)	(65,454)
Retained earnings at the beginning of the year		<u>(977,720)</u>	<u>(912,266)</u>
Retained earnings at the end of the year		(1,185,832)	(977,720)

All of the above results are derived from continuing activities. There were no recognised gains or losses for the current and preceding years other than those included in the statement of income and retained earnings.

The notes on pages 13 to 15 form part of these financial statements.

Statement of financial position 30 September 2019

	Notes	2019 £	2018 £
Fixed assets			
Intangible assets	3	438,683	490,583
Tangible assets	4	11,753	—
		<u>450,436</u>	<u>490,583</u>
Current assets			
Debtors	5	164,015	117,146
Cash at bank and in hand	"	58,440	25,727
		<u>222,455</u>	<u>142,873</u>
Creditors: amounts falling due within one year	6	<u>(374,287)</u>	<u>(887,291)</u>
Net current liabilities		<u>(151,832)</u>	<u>(744,418)</u>
Total assets less current liabilities		<u>298,604</u>	<u>(253,835)</u>
Creditors: amounts falling due in more than one year	7	<u>(1,284,436)</u>	<u>(523,885)</u>
Net liabilities		<u>(985,832)</u>	<u>(777,720)</u>
Capital and reserves			
Called-up share capital		200,000	200,000
Retained earnings		<u>(1,185,832)</u>	<u>(977,720)</u>
Total funds		<u>(985,832)</u>	<u>(777,720)</u>

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

Approved by the directors
and signed on their behalf by:



(Paul James)

Director

Approved on:

3 November 2020

Company Registration Number: 9188277 (England and Wales)

Notes to the Financial Statements for the year ended 30 September 2019

Basis of accounting

These financial statements have been prepared in compliance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 (FRS 102) Section 1A, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

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

The financial statements are prepared in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the directors to make significant judgements and estimates. In the case of the company the areas affected by judgement and estimation are:

- the estimation of the expected useful lives of tangible assets and the related calculation of depreciation;
- the estimation of the expected useful lives of intangible assets, including goodwill, and the related calculation of amortisation;
- the assessment of the value of intangible assets, including goodwill, for the purposes of assessing whether any amounts are impaired;
- estimating the stage of completion of course and module completion for the purposes of calculating how much income to defer; and
- estimating future income and expenditure flows for the purpose of assessing going concern (see below).

There are no key assumptions or areas of uncertainty where there is a significant risk of material adjustment to the carrying value of the assets and liabilities of the company being required during the financial year ending 30 September 2020.

Going concern

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

The company had net current liabilities of £151,832 and total net liabilities of £985,832 as at 30 September 2019. The directors of the company have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern.

Notes to the Financial Statements for the year ended 30 September 2019

The directors are of the opinion that the company will have sufficient resources to meet its liabilities as they fall due as the former parent company, IMarEST, has agreed to not to demand repayment of amounts owed to it for a period of twelve months from the date of approval of these financial statements. In addition, the current parent company, BAU Global Limited has committed to provide financial support to the company.

Turnover

Turnover derives from the principal activity of the company arising in the UK. Revenue is recognised at cost value when these services are provided, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the company. Where income is received in advance of this provision of services, it is held on the statement of financial position as deferred income and released in the period in which services are provided. Income is treated as earned according to the type of income:

- Income from the sale of distance e-learning modules is accrued using the stage of completion method;
- Income from residential courses held is accounted for once the relevant course has been completed; and
- Income from one off consultancy projects or tuition over a period of time is recognised over the life of the project based on the stage of completion.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the company to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and excludes recoverable VAT. Expenditure comprises the direct costs associated with the delivery of the company's services as well as general administrative support costs.

Intangible fixed assets

Goodwill

The cost of the trade and e-learning modules transferred from Plymouth University on acquisition has been capitalised as goodwill. It is amortised over its estimated useful economic life of 7 years. Amortisation is charged using the straight line method.

Development costs

Staff and other direct costs associated with the development of further educational modules are capitalised as development costs where:

- the module has an estimated useful life of more than one year;

Notes to the Financial Statements for the year ended 30 September 2019

- there is a reasonable expectation that the revenue to be generated over the useful life of the product will exceed the expected total development costs and that those costs are separately identifiable and quantifiable;
- the modules are new or substantially improved compared to those already in existence; and
- the future success of the modules have been assessed with reasonable certainty as to their technical feasibility and their ultimate commercial viability.

Once complete the modules are amortised over their estimated useful economic life of 7 years. Amortisation is charged using the straight line method.

Tangible fixed assets

All assets and with an expected useful life exceeding one year are capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated life:

- Plant and Machinery 33% on costs

Hire purchase and leasing commitments

Rentals paid over operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension Costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the statement of income and retained earnings in the period to which they relate.

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be measured reliably. Creditors are recognised at the amount the company anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Notes to the Financial Statements for the year ended 30 September 2019

Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Statement of cash flows

The financial statements do not include a statement of cash flows because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Section 1A of FRS 102.

Notes to the financial statements for the year ended 30 September 2019

1 Employees and Directors

The average number of employees during the year was 8 (2018 – 6).

	2019 £	2018 £
Wages & Salaries	246,168	256,304
Secondment Costs	13,346	—
National Insurance	25,665	27,292
Pension	24,749	31,301
Other	10,067	9,652
	319,995	324,549
Less: capitalised staff costs	(31,513)	(58,561)
Net costs charge to income and expenditure	288,482	265,988

2 Loss on ordinary activities after taxation

This is stated after charging:

	2019 £	2018 £
Depreciation	731	1,102
Amortisation – goodwill	28,000	28,000
Amortisation – other intangibles	51,927	56,191
Auditors remuneration	3,000	2,500

3 Intangible fixed assets

	Goodwill £	Development Costs £	Totals £
Cost			
At 1 October 2018	196,000	520,409	716,409
Additions	—	40,399	40,399
At 30 September 2019	196,000	560,808	756,808
Amortisation			
At 1 October 2018	112,000	113,826	225,826
Charge for the year	28,000	64,299	92,299
At 30 September 2019	140,000	178,125	318,125
Net book value			
At 30 September 2019	56,000	382,683	438,683
At 30 September 2018	84,000	406,583	490,583

An impairment review of all the intangible assets was conducted, in the year ended 30 September 2019 in accordance with FRS 102. This review found that no impairment provision was necessary.

Notes to the financial statements for the year ended 30 September 2019

In the period ended 30 September 2015 the Marine Learning Alliance acquired the Hydrographic Academy from Plymouth University for the sum of £200,000. The Hydrographic Academy was a unit of Plymouth University that delivered under graduate and post graduate higher education through eLearning utilising a set of learning modules, the intellectual property, developed by the unit. It is not possible for the brand, and the goodwill associated with it, to be separated from the modules and sold. The goodwill recognised above therefore represents the goodwill upon acquisition as well as the development value of the modules and intellectual property acquired.

4 Tangible fixed assets

	Plant and Machinery £
Cost	
At 1 October 2018	32,821
Additions	12,484
At 30 September 2019	<u>45,305</u>
Depreciation	
At 1 October 2018	32,821
Charge for the year	731
At 30 September 2019	<u>33,552</u>
Net book value	
At 30 September 2019	<u><u>11,753</u></u>
At 30 September 2018	<u><u>—</u></u>

5 Debtors

	2019 £	2018 £
Trade debtors	136,386	117,146
Other debtors	200	—
Prepayments	27,429	—
	<u>164,015</u>	<u>117,146</u>

6 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	51,719	20,980
Other creditors	18,315	18,115
Taxation and social security	18,096	8,284
Accruals	3,000	2,500
Deferred Income	283,157	144,846
Amounts owed to connected entities (note 8)	—	692,566
	<u>374,287</u>	<u>887,291</u>

Notes to the financial statements for the year ended 30 September 2019

7 Creditors – amounts falling due in more than one year

	2019 £	2018 £
Amounts owed to connected entities (note 8)	1,284,436	523,885

8 Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

The following transactions occurred between company and its previous ultimate parent undertaking (see note 11).

- As at 30 September 2019 the company owed IMarEST £1,284,436 by way of short term cash advances. No payment is due to IMarEST within the next twelve months.
- During the year IMarEST seconded staff to the company at a cost of £13,346

Other than those transactions stated above, no related party transactions took place.

9 Share capital

	2019 £	2018 £
Allotted, called-up and fully paid 10,000 ordinary shares of £20 each	200,000	200,000

10 Taxation

A £nil taxation charge arises as a result of losses recognised during the current and prior periods.

11 Ultimate control

Until 30 June 2019, the share capital of the company was wholly owned by Marine Management (Holdings) Limited, a company registered in England and Wales (Company registration number 01100685).

The ultimate controlling undertaking of Marine Management (Holdings) Limited is The Institute of Marine Engineering, Science and Technology (IMarEST), a charity registered in England and Wales, incorporated by Royal Charter (Charity registration number 212992).

With effect from 1 July 2019, 60% of the share capital in the company was sold to BAU Global Limited a company registered in England and Wales (Company registration number 11760068), of which Mr Enver Yucel is the sole shareholder. The ultimate controlling party of BAU Global Limited is Mr Enver Yucel.