

Registration number: 9188277

MLA College Limited

formerly Marine Learning Alliance Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2021

Houndiscombe Consultants Limited
T/A Condy Mathias Chartered Accountants
6 Houndiscombe Road
Plymouth
Devon
PL4 6HH

MLA College Limited

Contents

Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4 to 7
Statement of Income and Retained Earnings	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 to 19
Detailed Profit and Loss Account	20 to 22

MLA College Limited

Company Information

Directors	Mr Enver Yucel Mr Hüseyin Yucel Dr Basak Akdemir Mr Christopher Gaunt Mr Gwynne Lewis Mrs Sarah Dhanda
Registered office	Unit C1 Apollo Court Neptune Park Cattedown Plymouth Devon PL4 0SJ
Auditors	Houndiscombe Consultants Limited T/A Condy Mathias Chartered Accountants 6 Houndiscombe Road Plymouth Devon PL4 6HH

MLA College Limited

Directors' Report for the Year Ended 30 September 2021

The directors present their report and the financial statements for the year ended 30 September 2021.

Director of the company

The directors who held office during the year were as follows:

Mr Enver Yucel

Mr Hüseyin Yucel (appointed 21 December 2020)

Dr Basak Akdemir

Mr Christopher Gaunt

Mr Gwynne Lewis

Mrs Sarah Dhanda (appointed 17 May 2021)

Mr Paul James (ceased 17 May 2021)

Mr Coskun Ince (ceased 21 December 2020)

Principal activity

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


Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

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

Approved by the Board on 25 May 2022 and signed on its behalf by:



.....
Dr Basak Akdemir
Director

MLA College Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report 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). 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 or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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.

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 Companies 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.

MLA College Limited

Independent Auditor's Report to the Members of MLA College Limited

Opinion

We have audited the financial statements of MLA College Limited (the 'company') for the year ended 30 September 2021, which comprise the Statement of Income and Retained Earnings, Balance Sheet, Statement of Changes in Equity, 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 FRS 102 Section 1A '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 2021 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 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 original financial statements were authorised for issue.

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

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.

MLA College Limited

Independent Auditor's Report to the Members of MLA College Limited

Opinion on other matter 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 our 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 where 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 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 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.

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

MLA College Limited

Independent Auditor's Report to the Members of MLA College Limited

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

As part of our audit planning, through discussions with management, we obtained an understanding of the legal and regulatory framework that is applicable to the company and the sector in which it operates to identify the key laws and regulations affecting the company.

The key laws and regulations we identified were health and safety, and employment laws. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily the Companies Act 2006, the reporting framework (FRS 102), and the relevant tax compliance regulations in the UK.

We discussed with management how the compliance with these laws and regulations is monitored and we discussed the policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deals with reporting issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the company's ability to continue trading and the risk of material misstatement to the accounts.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.

We also evaluated the risk of fraud through management override including that arising from management's incentives. The key risk we identified was fraudulent financial reporting.

In response to the identified risk, as part of our audit work we:

- Identified and tested journal entries throughout the year and year end adjustments, for appropriateness;
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates, in particular in relation to the useful economic lives of intangible assets and the stage of completion of courses and the deferred income thereon.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of the instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

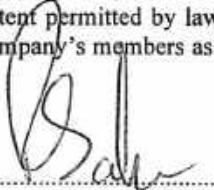
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

MLA College Limited

Independent Auditor's Report to the Members of MLA College Limited

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.



Richard Baker FCA (Senior Statutory Auditor)

For and on behalf of Houndiscombe Consultants Limited, Statutory Auditor

T/A Condy Mathias Chartered Accountants
6 Houndiscombe Road
Plymouth
Devon
PL4 6HH

25 May 2022

MLA College Limited

Statement of Income and Retained Earnings for the Year Ended 30 September 2021

	Note	2021 £	2020 £
Turnover		1,223,834	834,735
Cost of sales		<u>(259,213)</u>	<u>(521,396)</u>
Gross profit		964,621	313,339
Administrative expenses		<u>(1,255,613)</u>	<u>(1,088,497)</u>
Operating loss		(290,992)	(775,158)
Interest payable and similar charges		<u>(4,325)</u>	<u>-</u>
Loss before tax	5	<u>(295,317)</u>	<u>(775,158)</u>
Loss for the financial year		(295,317)	(775,158)
Retained earnings brought forward		<u>(1,960,990)</u>	<u>(1,185,832)</u>
Retained earnings carried forward		<u><u>(2,256,307)</u></u>	<u><u>(1,960,990)</u></u>

The notes on pages 11 to 19 form an integral part of these financial statements.

MLA College Limited

(Registration number: 9188277)
Balance Sheet as at 30 September 2021

		(As restated)	
	Note	2021 £	2020 £
Fixed assets			
Intangible assets	6	451,475	335,420
Tangible assets	7	<u>187,504</u>	<u>243,472</u>
		<u>638,979</u>	<u>578,892</u>
Current assets			
Debtors	8	285,800	243,250
Cash at bank and in hand		<u>115,661</u>	<u>35,915</u>
		401,461	279,165
Creditors: Amounts falling due within one year	9	<u>(1,067,915)</u>	<u>(410,330)</u>
Net current liabilities		<u>(666,454)</u>	<u>(131,165)</u>
Total assets less current liabilities		(27,475)	447,727
Creditors: Amounts falling due after more than one year	9	<u>(1,620,852)</u>	<u>(1,944,890)</u>
Net liabilities		<u>(1,648,327)</u>	<u>(1,497,163)</u>
Capital and reserves			
Called up share capital		200,000	200,000
Other reserves		407,980	263,827
Profit and loss account		<u>(2,256,307)</u>	<u>(1,960,990)</u>
Shareholders' deficit		<u>(1,648,327)</u>	<u>(1,497,163)</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 25 May 2022 and signed on its behalf by:



.....
Dr Basak Akdemir
Director

MLA College Limited

Statement of Changes in Equity for the Year Ended 30 September 2021

	Share capital	Fair value	Profit and loss	Total
	£	reserve	account	£
	£	£	£	£
At 1 October 2020	200,000	263,827	(1,960,990)	(1,497,163)
Loss for the year	-	-	(295,317)	(295,317)
Other comprehensive income	-	144,153	-	144,153
Total comprehensive income	-	144,153	(295,317)	(151,164)
At 30 September 2021	200,000	407,980	(2,256,307)	(1,648,327)
	Share capital	Fair value	Profit and loss	Total
	£	reserve	account	£
	£	£	£	£
At 1 October 2019	200,000	17,155	(1,185,832)	(968,677)
Loss for the year	-	-	(775,158)	(775,158)
Other comprehensive income	-	246,672	-	246,672
Total comprehensive income	-	246,672	(775,158)	(528,486)
At 30 September 2020	200,000	263,827	(1,960,990)	(1,497,163)

The notes on pages 11 to 19 form an integral part of these financial statements.

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

1 General information

The company is a private company limited by share capital, incorporated in England.

The company was formerly known as Marine Learning Alliance Limited.

The address of its registered office is:

Unit C1 Apollo Court

Neptune Park

Cattedown

Plymouth

Devon

PL4 0SJ

2 Accounting policies

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Summary of disclosure exemptions

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.

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 £666,454 (2020: £131,165) and total net liabilities of £1,648,327 (2020: £1,497,163) as at 30 September 2021. 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.

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, the Institute of Marine Engineering, Science and Technology (IMarEST), has agreed to only require repayment of £480,000 of its loan in the period twelve months from the date of approval of these financial statements. In addition, the current parent company, BAU Global Limited (BAU) has committed to provide financial support to the company and not to demand repayment of amounts owed to it for a period of twelve months from the date of approval of these financial statements.

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

Prior period errors

The company has received two interest free loans from related parties, which do not attract interest or charges. Thus, these loans should be included at their net present value. The adjustment below reflects the adjustment required to disclose these loans in accordance with current accounting standard FRS102.

	Relating to the current period disclosed in these financial statements £	Relating to the prior period disclosed in these financial statements £	Relating to periods before the prior period disclosed in these financial statements £
Long term creditors	-	(263,827)	(17,155)
Other reserves	-	263,827	17,155

Key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

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.

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

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.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	7 years straight line
Plant and machinery	3 years straight line

Goodwill

The cost of the trade and e-learning modules transferred from Plymouth University on acquisition has been capitalised as goodwill.

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;
- 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.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	7 years straight line
Development costs	7 years straight line

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

Borrowings

Amounts due 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. Borrowings are recognised at the amount the company anticipates it will pay to settle the debt and have been discounted to the present value of the future cash payment.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

3 Staff costs

The average number of persons employed by the company (including directors) during the year, was 16 (2020 - 10).

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021	2020
	£	£
Wages and salaries	646,727	663,309
Social security costs	83,250	55,591
Other short-term employee benefits	29,716	29,738
Pension costs, defined contribution scheme	61,336	39,762
Redundancy costs	-	20,000
Other employee expense	53,233	78,111
	<u>874,262</u>	<u>886,511</u>

4 Auditors' remuneration

	2021	2020
	£	£
Audit of the financial statements	<u>5,125</u>	<u>18,100</u>
Other fees to auditors		
All other non-audit services	<u>4,700</u>	<u>-</u>

5 Loss before tax

Arrived at after charging/(crediting)

	2021	2020
	£	£
Depreciation expense	66,652	58,051
Amortisation expense	<u>110,307</u>	<u>108,580</u>

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

6 Intangible assets

	Goodwill £	Internally generated software development costs £	Total £
Cost or valuation			
At 1 October 2020	196,000	566,125	762,125
Additions acquired separately	-	226,362	226,362
At 30 September 2021	<u>196,000</u>	<u>792,487</u>	<u>988,487</u>
Amortisation			
At 1 October 2020	168,000	258,705	426,705
Amortisation charge	28,000	82,307	110,307
At 30 September 2021	<u>196,000</u>	<u>341,012</u>	<u>537,012</u>
Carrying amount			
At 30 September 2021	<u>-</u>	<u>451,475</u>	<u>451,475</u>
At 30 September 2020	<u>28,000</u>	<u>307,420</u>	<u>335,420</u>

An impairment review of all intangible assets was conducted in the year ended 30 September 2021 in accordance with FRS102. This review found that no impairment provision was necessary.

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

7 Tangible assets

	Freehold Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 October 2020	192,317	142,758	335,075
Additions	<u>4,389</u>	<u>6,295</u>	<u>10,684</u>
At 30 September 2021	<u>196,706</u>	<u>149,053</u>	<u>345,759</u>
Depreciation			
At 1 October 2020	27,474	64,129	91,603
Charge for the year	<u>28,963</u>	<u>37,689</u>	<u>66,652</u>
At 30 September 2021	<u>56,437</u>	<u>101,818</u>	<u>158,255</u>
Carrying amount			
At 30 September 2021	<u>140,269</u>	<u>47,235</u>	<u>187,504</u>
At 30 September 2020	<u>164,843</u>	<u>78,629</u>	<u>243,472</u>

8 Debtors

	2021 £	2020 £
Trade debtors	208,330	184,160
Other debtors	<u>77,470</u>	<u>59,090</u>
	<u>285,800</u>	<u>243,250</u>

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

9 Creditors

Creditors: amounts falling due within one year

	2021 £	2020 £
Due within one year		
Trade creditors	65,457	38,571
Amounts owed to group undertakings and undertakings in which the company has a participating interest	480,000	-
Taxation and social security	124,407	104,660
Accruals and deferred income	352,485	223,130
Other creditors	45,566	43,969
	<u>1,067,915</u>	<u>410,330</u>

Creditors: amounts falling due after more than one year

	2021 £	2020 £
		(As restated)
Due after one year		
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>1,620,852</u>	<u>1,944,890</u>

During the year the directors reassessed the expected loan repayments to creditors due in more than one year. Due to anticipated cashflow in future years, these loans have been discounted to their net present value. The gross value of these loans is £2,046,482 (2020:£2,208,717)

10 Related party transactions

Summary of transactions with parent

Bau Global Limited currently holds 60% of the share capital of MLA College Limited. During the year Bau Global made advances of £392,584 to MLA College Limited via Bahcesehir University and received repayments of £222,000. As at 30 September 2021 MLA College Limited owed Bau Global £657,159 (2020:£486,575), which has been recorded in these financial statements at its net present value of £499,830.

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

Summary of transactions with other related parties

The Institute of Marine Engineering, Science & Technology indirectly holds 40% of the share capital of MLA College Limited. During the year the charity charged the company £62,885 (2020 :£117,775) for seconded staff, and received credit notes of £5,823 (2020 ;£Nil) and settled invoices on behalf of the company of £Nil (2020:£217,809). In addition to this the post completion loan increased by £70,000, comprising £200,000 of the overall balance. As at 30 September 2021 MLA College Limited owed the charity £1,851,674 (2020: £1,722,142), which has been recorded in these financial statements at its net present value of £1,601,022.

11 Parent and ultimate parent undertaking

The company's immediate parent is BAU Global Limited, incorporated in England.

The ultimate controlling party is Enver Yucel.

MLA College Limited

Detailed Profit and Loss Account for the Year Ended 30 September 2021

	2021		2020	
	£	£	£	£
Turnover		1,223,834		834,735
Cost of sales		<u>(259,213)</u>		<u>(521,396)</u>
Gross profit		964,621		313,339
Administrative expenses				
Employment costs	729,032		712,640	
Establishment costs	96,999		46,457	
General administrative expenses	232,602		148,377	
Finance charges	20,021		14,392	
Depreciation costs	<u>176,959</u>		<u>166,631</u>	
		<u>(1,255,613)</u>		<u>(1,088,497)</u>
Operating loss		(290,992)		(775,158)
Interest payable and similar expenses		<u>4,325</u>		<u>-</u>
Loss before tax		<u><u>(295,317)</u></u>		<u><u>(775,158)</u></u>

MLA College Limited

Detailed Profit and Loss Account for the Year Ended 30 September 2021

	2021 £	2020 £
Turnover		
Module fee income	680,334	834,735
Programme development income	550,000	-
Grants and subsidies	(6,500)	-
	1,223,834	834,735
Cost of sales		
Direct costs	98,217	162,521
Wages and salaries	110,157	141,066
Staff NIC	12,176	8,549
Staff pensions	14,883	16,236
Private health insurance	8,014	8,020
Subcontract cost	-	164,808
Travel and subsistence	-	5,243
Hire of plant and machinery	2,800	5,450
Courier services	-	803
Insurance	12,966	8,700
	259,213	521,396
Employment costs		
Wages and salaries	365,686	248,743
Staff NIC	54,130	11,804
Directors remuneration	170,884	273,500
Directors NIC	16,944	35,238
Staff pensions	33,121	8,442
Directors pensions	13,332	15,084
Private health insurance	21,702	21,718
Staff training	9,087	302
Travelling	44,146	77,809
Redundancy costs	-	20,000
	729,032	712,640
Establishment costs		
Rent	87,871	47,839
Rates	395	(7,774)
Light, heat and power	7,754	6,392
Repairs and maintenance	979	-
	96,999	46,457

This page does not form part of the statutory financial statements.

MLA College Limited

Detailed Profit and Loss Account for the Year Ended 30 September 2021

	2021	2020
	£	£
General administrative expenses		
Telephone and internet	4,797	1,404
Computer software and maintenance costs	21,662	25,498
Printing, postage and stationery	6,270	2,453
Trade subscriptions	14,189	-
Sundry expenses	1,058	2,904
Cleaning	9,360	12,313
Management charges payable	25,825	9,698
Advertising	83,147	15,391
Customer entertaining	2,024	28,919
Accountancy fees	3,091	-
Auditor's remuneration - The audit of the company's annual accounts	5,125	18,100
Auditors' remuneration - non audit work	4,700	-
Consultancy fees	1,925	-
Legal and professional fees	43,349	4,825
Bad debts written off	6,080	26,872
	<u>232,602</u>	<u>148,377</u>
Finance charges		
Bank charges	<u>20,021</u>	<u>14,392</u>
Depreciation costs		
Amortisation of goodwill	110,307	108,580
Depreciation of fixtures and fittings	66,652	58,051
	<u>176,959</u>	<u>166,631</u>
Interest payable and similar expenses		
Other interest payable	<u>4,325</u>	<u>-</u>