

Registration number: 09188277

MLA College Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2023

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

MLA College Limited

Contents

Company Information	1
Strategic Report	2 to 5
Directors' Report	6
Statement of Directors' Responsibilities	7
Independent Auditor's Report	8 to 11
Profit and Loss Account	12
Balance Sheet	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Notes to the Financial Statements	16 to 30
Detailed Profit and Loss Account	31 to 33

MLA College Limited

Company Information

Directors	Dr Basak Akdemir Prof John Chudley Mr Christopher Gaunt Mr Petros Neocleous Dr Vishwajeet Rana Mrs Lina Rincon
Registered office	The Merchant St Andrew Street Plymouth Devon PL1 2AX
Auditors	Houndiscombe Consultants Limited T/A Condy Mathias Chartered Accountants 6 Houndiscombe Road Plymouth Devon PL4 6HH

MLA College Limited

Strategic Report for the Year Ended 30 September 2023

Introduction

MLA College received its registration with the Office for Students (OfS) in the approved category on the 11th October 2021. The Quality and Standards Review, considered as part of the registration process and undertaken by the UK Quality Assurance Agency, was met with high confidence.

At present, MLA College undergraduate and postgraduate degrees are validated by the University of Plymouth (UoP), recognised as one of the world's best for marine. Although validated by UoP it is important to note our degrees are not delivered through a franchise arrangement. All degrees are designed, delivered and owned by MLA College.

MLA College submitted its online application for Degree Awarding Powers (DAP) to the OfS in December 2021. In February 2023 full application of the desk based assessment was submitted to the Quality Assurance Agency (acting as the Designated Quality Body) who recommended to OfS that MLA College proceed to the next stage. If desired, upon receipt of DAPs, MLA College can apply to change its title to "university"; even though it is a recognised Higher Education Institution (HEI) in its own right.

Vision

We are able to shape future citizens of the world through the provision of high quality educational and development opportunities accessible globally.

Mission

To deliver outstanding flexible education and training to promote the conservation and sustainable use of the environment for the advancement of the global community

Values

We remain committed to a clearly defined set of core values where the learner is placed at the centre of everything we do. Our core values are:

1. Educational excellence
2. Equality, diversity and inclusion
3. Integrity
4. Creativity
5. Academic freedom for all
6. Accessibility

2023 has been a very successful year for MLA College in terms of external recognition of the organisation and the quality of what we deliver. This includes:

- Devon and Plymouth Chamber Awards
 - o Digital Business of the Year - Winner
 - o Global Player of the Year - Runner Up
- National Maritime SME Awards
 - o Best Training and Education Programme - Runner Up
- Tech South West Awards
 - o Marine Tech Category - Shortlisted. Finals and Award winners announced in November

Also the new CIFAL (International Training Centre for Authorities and Leaders) Centre established by UNITAR and MLA College, whose mission is to advance and enhance capacity in support of the United Nations Agenda 2030 for Sustainable Development, continues to deliver seminars and develop new degree programmes. The CIFAL City of London has worked with MLA College to develop Sustainability in Practice and Global Sustainable Development Bachelors and Masters degrees.

MLA College Limited

Strategic Report for the Year Ended 30 September 2023

Statement by the directors on performance of their statutory duties in accordance with S172(1) of the Companies Act 2006

The likely consequence of any decision in the long term

The directors believe that they have acted in the way they consider, in good faith, to promote the long-term success of MLA College. The annual financial budgeting cycle requires the long-term impact of strategic decisions to be considered. The Board and executive management interact regularly and executive management attends Board meetings to discuss performance, opportunities, risks and implications of potential new developments.

The interests of the company's employees

The directors believe our people to be our greatest asset and the interests of our employees are always considered. The directors take care over the wellbeing and environmental awareness of employees.

We also use other formal and informal processes to communicate and engage with employees, including an intranet and digital learning tools.

We support and develop staff through providing all with access to facilities, personal and career development opportunities and employment on the basis of equality.

The need to foster the company's business relationships with suppliers, customers, and others

The directors aim to work in partnership with suppliers to ensure that they reflect similar values and behaviours to those promoted by MLA College.

MLA puts our students at the centre of everything we do. The directors ensure that all employees are very much focused on our relationship with our students and consistently strive to provide high-quality programmes of study and excellent customer service.

The impact of the company's operations on the community and environment

We believe our activities to be nothing but a positive impact on the local community. We have a close relationship with the University of Plymouth, itself an immensely positive part of the local community.

The directors are mindful of environmental issues and seek to minimise the impact of MLA's activities on the environment. Our method of distance learning is also one with a minimal impact on the environment.

The desirability of the company maintaining a reputation for high standards of business conduct

MLA College expects its directors, employees, and contractors to exercise reasonable judgement when conducting business, and to hold themselves to the highest moral standards in all behaviours.

The need to act fairly between members of the company

MLA College considers itself a close-knit team and the directors and senior managers work hard to ensure a high degree of fairness, openness and transparency in all aspects of dealings together.

MLA College Limited

Strategic Report for the Year Ended 30 September 2023

Employees

The School gives full and fair consideration to applications for employment made by people with disabilities, having regard to their particular aptitudes and abilities; continuing the employment of, and arranging training for employees who have become disabled while employed; and otherwise for the training, career development and promotion of people with disabilities.

Return on Student Investment

MLA College invests substantial amounts of time and resource to ensure that course material is always the most up-to-date, relevant and engaging it can possibly be to ensure students receive the best possible value for their own investment.

Principal risks and uncertainties

The Board of Directors and senior management meet regularly to ensure any and all risks are highlighted and mitigated or dealt with as appropriate.

Student Outcomes

MLA College's vision can only be achieved by delivering high quality student outcomes. Our students are at the heart of what we do, and we constantly develop our course material to ensure we deliver the very best learning experience possible.

Financial key performance indicators

MLA College has successfully closed the 2022/23 financial year with £1.3m revenue (last year £1.4m) and £0.9m profit before taxation (last year £0.7m loss).

Profitability has increased due to gains on loans written off from a related party of £2.3m.

Total assets on our balance sheet increased to £1.4m, from net liabilities of £1.9m last year, due to an injection of £3.2m of share capital during the year. Supporting this increase, cash at the year-end increased by £0.9m to £1.0m.

Financial viability

The company has reduced the deficit of retained earnings during the year, together with a positive current ratio (last year negative).

Financial Sustainability

The appointment of an experienced, focused and diverse Board of Directors together with strong support from our parent company all point to strong long-term financial sustainability.

Financial and Treasury Review

The financial instruments comprise cash and liquid resources, trade debtors, trade creditors, and accruals.

The main risk arising from MLA College's financial instruments is liquidity risk. Liquidity risk is the risk that MLA will be unable to meet its financial obligations as they fall due. The risk is managed by the applications of measures to ensure timely recovery of funds owed to MLA and forecasting cash requirements. MLA generates sufficient liquidity through its operations as is reflected in its strong net current asset position, together with strong support from the parent company.

Statement of Governance and Internal Control

The following statement is intended to provide an understanding of the governance and internal control applicable to MLA College Ltd. The School is a private higher education provider regulated by the Office for Students (OfS).

During the year, following new ownership, we introduced a strengthened Board of Directors with a depth of experience across Higher Education and industry and commerce.

MLA College Limited

Strategic Report for the Year Ended 30 September 2023

Access and Participation

MLA College recruits students from the UK and across the globe, enabling students from a variety of backgrounds including underrepresented groups to meet their educational goals and career aspirations.

MLA College Ltd is a provider of a range of higher education programmes; from Undergraduate Honours degrees to Master's degree programmes.

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which remain in force at the date of this report.

Approved and authorised by the Board on and signed on its behalf by:

Basak Akdemir

Dr Basak Akdemir
Director

MLA College Limited

Directors' Report for the Year Ended 30 September 2023

The directors present their report and the financial statements for the year ended 30 September 2023.

Directors of the company

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

Dr Basak Akdemir

Prof John Chudley (appointed 27 March 2023)

Mr Christopher Gaunt

Mr Petros Neocleous (appointed 21 August 2023)

Dr Vishwajeet Rana (appointed 21 August 2023)

Mrs Lina Rincon (appointed 21 August 2023)

Mr Enver Yucel (ceased 21 August 2023)

Mr Gwynne Lewis (ceased 16 December 2022)

Mr Hüseyin Yucel (ceased 21 August 2023)

Mrs Sarah Dhanda (ceased 16 December 2022)

Information included in the Strategic Report

As permitted by s414c(11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of the "Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008", in the strategic report.

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.

Approved and authorised by the Board on and signed on its behalf by:

Basak Akdemir

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;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 2023, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, 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 2023 and of its profit 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 directors' 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 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.

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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Opinion on other matters required by the Office for Students (OfS) Audit Code of Practice

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, if relevant, managed in accordance with relevant legislation; and
- funds provided by OfS have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them; and the requirements of the OfS's Accounts Direction have been met.

We have nothing to report in respect of the following matters in relation to which the OfS requires the auditor to report where the provider's grant and fee income, as disclosed in the note to the accounts, has been materially misstated; and the provider's expenditure on access and participation activities for the financial year has been materially misstated.

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 Strategic Report and 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 7], 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.

MLA College Limited

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

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.

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 procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we 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, the requirements of registration with the Office for Students, including the accounts direction, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive; the Office for Students and the company's legal advisors.

MLA College Limited

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial statements, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or 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.

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

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

Date:.....

MLA College Limited

Profit and Loss Account for the Year Ended 30 September 2023

	Note	2023 £	2022 £
Turnover	3	1,107,004	1,387,280
Cost of sales		<u>(509,042)</u>	<u>(605,903)</u>
Gross profit		597,962	781,377
Administrative expenses		<u>(1,972,613)</u>	<u>(1,449,219)</u>
Operating loss	4	(1,374,651)	(667,842)
Gain on related party loans written off		2,319,076	-
Other interest receivable and similar income	5	195	70
Interest payable and similar expenses	6	<u>(1,375)</u>	<u>(1,575)</u>
Profit/(loss) before tax		<u>943,245</u>	<u>(669,347)</u>
Profit/(loss) for the financial year		<u>943,245</u>	<u>(669,347)</u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

MLA College Limited

(Registration number: 09188277)
Balance Sheet as at 30 September 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	11	607,809	498,102
Tangible assets	12	<u>120,704</u>	<u>152,832</u>
		<u>728,513</u>	<u>650,934</u>
Current assets			
Debtors	13	175,009	302,527
Cash at bank and in hand		<u>1,003,218</u>	<u>124,839</u>
		1,178,227	427,366
Creditors: Amounts falling due within one year	15	<u>(525,689)</u>	<u>(1,275,703)</u>
Net current assets/(liabilities)		<u>652,538</u>	<u>(848,337)</u>
Total assets less current liabilities		1,381,051	(197,403)
Creditors: Amounts falling due after more than one year	15	<u>-</u>	<u>(1,725,226)</u>
Net assets/(liabilities)		<u>1,381,051</u>	<u>(1,922,629)</u>
Capital and reserves			
Called up share capital		3,363,460	200,000
Other reserves		-	803,025
Retained earnings		<u>(1,982,409)</u>	<u>(2,925,654)</u>
Shareholders' funds/(deficit)		<u>1,381,051</u>	<u>(1,922,629)</u>

Approved and authorised by the Board on and signed on its behalf by:

Basak Akdemir

Dr Basak Akdemir
Director

MLA College Limited

Statement of Changes in Equity for the Year Ended 30 September 2023

	Share capital £	Non-distributable reserve £	Retained earnings £	Total £
At 1 October 2022	200,000	803,025	(2,925,654)	(1,922,629)
Profit for the year	-	-	943,245	943,245
New share capital subscribed	3,163,460	-	-	3,163,460
Fair value discounting adjustment	-	(803,025)	-	(803,025)
At 30 September 2023	<u>3,363,460</u>	<u>-</u>	<u>(1,982,409)</u>	<u>1,381,051</u>

	Share capital £	Non-distributable reserve £	Retained earnings £	Total £
At 1 October 2021	200,000	407,980	(2,256,307)	(1,648,327)
Loss for the year	-	-	(669,347)	(669,347)
Fair value discounting adjustment	-	395,045	-	395,045
At 30 September 2022	<u>200,000</u>	<u>803,025</u>	<u>(2,925,654)</u>	<u>(1,922,629)</u>

The notes on pages 16 to 30 form an integral part of these financial statements.

MLA College Limited

Statement of Cash Flows for the Year Ended 30 September 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Profit/(loss) for the year		943,245	(669,347)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	196,114	199,199
Financial instrument net losses through profit and loss		(2,319,076)	-
Finance costs	6	<u>1,377</u>	<u>1,505</u>
		(1,178,340)	(468,643)
Working capital adjustments			
Decrease/(increase) in trade debtors	13	127,520	(16,726)
(Decrease)/increase in trade creditors	15	<u>(270,016)</u>	<u>207,786</u>
Net cash flow from operating activities		<u>(1,320,836)</u>	<u>(277,583)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(21,370)	(36,425)
Acquisition of intangible assets	11	<u>(252,323)</u>	<u>(174,729)</u>
Net cash flows from investing activities		<u>(273,693)</u>	<u>(211,154)</u>
Cash flows from financing activities			
Interest paid	6	(1,377)	(1,505)
Proceeds from issue of ordinary shares, net of issue costs		1,000,000	-
Proceeds from other borrowing draw downs		<u>1,474,285</u>	<u>499,420</u>
Net cash flows from financing activities		<u>2,472,908</u>	<u>497,915</u>
Net increase in cash and cash equivalents		878,379	9,178
Cash and cash equivalents at 1 October		<u>124,839</u>	<u>115,661</u>
Cash and cash equivalents at 30 September		<u><u>1,003,218</u></u>	<u><u>124,839</u></u>

The notes on pages 16 to 30 form an integral part of these financial statements.

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

1 General information

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

The address of its registered office and principle place of business is:

The Merchant
St Andrew Street
Plymouth
Devon
PL1 2AX

2 Accounting policies

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006', FEHE SORP 2019 and OfS Regulatory advice:9: Accounts direction.

Basis of preparation

These financial statements have been prepared under the historic cost convention unless otherwise specified within these accounting policies.

Going concern

Having considered post year end trading, financial results, cash reserves, and after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements are approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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

Revenue is derived from the provision of educational courses. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised.

Revenue represents tuition fees in relation to courses delivered during the year and is recognised evenly over the period of the relevant courses. Amounts invoiced for the courses which will be provided in future periods are held at the balance sheet date within deferred income. Where tuition has been provided to funded students but the funding has not yet been received the income is recognised as accrued income.

Revenue is recognised in relation to active students only. Active students are defined as those that are actively engaged with their courses. Where a student is absent for a period of time, they are suspended from study and are no longer considered active. Income is not recognised in respect of such students after that period.

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

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 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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

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.

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.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

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 2023

Financial instruments

Classification

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the assets carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the assets carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from a event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit and loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on net basis or to realise the asset and settle the liability simultaneously.

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

Critical accounting judgements and 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.

Capitalisation of Intangible assets

Intangible assets are capitalised on the basis of actual costs incurred and a percentage of hours worked by staff on the projects. The estimate of hours worked is based upon senior management knowledge, employee reporting and progress made on individual projects.

Depreciation and amortisation

The annual charge for both depreciation and amortisation is sensitive to changes in useful economic lives of such assets. These are re-assessed annually and amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Potential Bad Debts

Bad debts are assessed as non-recoverable when it is deemed the student will not be completing their course, which is invoiced in advance. Communication with students is open and continuous therefore it is possible to assess when students are to become interrupted.

3 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2023	2022
	£	£
Module fee income	1,089,800	1,394,780
Programme development income	26,704	-
Bursaries	(9,500)	(7,500)
	<u>1,107,004</u>	<u>1,387,280</u>

4 Operating loss

Arrived at after charging/(crediting)

	2023	2022
	£	£
Depreciation expense	53,498	71,097
Amortisation expense	142,616	128,102
Operating lease expense - plant and machinery	7,435	5,600
	<u>199,549</u>	<u>204,800</u>

5 Other interest receivable and similar income

	2023	2022
	£	£
Other finance income	195	70
	<u>195</u>	<u>70</u>

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

6 Interest payable and similar expenses

	2023	2022
	£	£
Interest expense on other finance liabilities	942	994
Foreign exchange gains	433	581
	<u>1,375</u>	<u>1,575</u>

7 Staff costs

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

	2023	2022
	£	£
Wages and salaries	945,167	801,969
Social security costs	150,523	108,475
Other short-term employee benefits	29,592	14,946
Pension costs, defined contribution scheme	82,259	73,977
Other employee expense	20,382	11,205
	<u>1,227,923</u>	<u>1,010,572</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2023	2022
	No.	No.
Academic staff	6	6
Non-academic staff	19	12
	<u>25</u>	<u>18</u>

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

The total remuneration package for the head of provider in each year was as follows:

	2023	2022
	£	£
Basic salary	152,252	135,330
Pension contributions	11,372	10,098
Other benefits	1,913	1,657
	165,537	147,085

The head of the provider's basic salary is 3.75 (2022: 3.30) times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The head of the provider's total remuneration is 3.43 (2022: 3.96) times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

There were three (2022 two) members of staff with a basic salary in excess of £100,000.

	2023	2022
	Number	Number
£105,000-£109,999	1	-
£110,000-£119,999	-	-
£120,000-£124,999	-	1
£125,000-£134,999	-	-
£135,000-£139,999	1	-
£140,000-£149,999	-	-
£150,000-£154,999	-	1
£155,000-£164,999	-	-
£165,000-£169,999	1	-
	3	2

Key management personnel costs (including directors) amounted to £411,170 (2022: £451,789)

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023	2022
	£	£
Remuneration	228,595	131,239
Contributions paid to money purchase schemes	15,969	9,793
	244,564	141,032

9 Auditors' remuneration

	2023	2022
	£	£
Audit of the financial statements	7,500	5,640
Other fees to auditors		
All other non-audit services	3,500	11,320
	3,500	11,320

10 Taxation

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - lower than the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	2023	2022
	£	£
Profit/(loss) before tax	943,245	(669,347)
Corporation tax at standard rate	179,217	(127,176)
Effect of revenues exempt from taxation	(320,941)	-
Tax increase from effect of capital allowances and depreciation	26,582	22,503
Tax increase from effect of unrelieved tax losses carried forward	115,142	104,673
Total tax charge/(credit)	-	-

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

11 Intangible assets

	Goodwill £	Trademarks, patents and licenses £	Internally generated software development costs £	Total £
Cost or valuation				
At 1 October 2022	196,000	25,700	941,516	1,163,216
Additions acquired separately	-	43,730	208,593	252,323
At 30 September 2023	<u>196,000</u>	<u>69,430</u>	<u>1,150,109</u>	<u>1,415,539</u>
Amortisation				
At 1 October 2022	196,000	-	469,114	665,114
Amortisation charge	-	5,431	137,185	142,616
At 30 September 2023	<u>196,000</u>	<u>5,431</u>	<u>606,299</u>	<u>807,730</u>
Carrying amount				
At 30 September 2023	<u>-</u>	<u>63,999</u>	<u>543,810</u>	<u>607,809</u>
At 30 September 2022	<u>-</u>	<u>25,700</u>	<u>472,402</u>	<u>498,102</u>

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

12 Tangible assets

	Short-term leasehold property £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 October 2022	196,706	185,478	382,184
Additions	-	21,370	21,370
At 30 September 2023	196,706	206,848	403,554
Depreciation			
At 1 October 2022	84,539	144,813	229,352
Charge for the year	28,101	25,397	53,498
At 30 September 2023	112,640	170,210	282,850
Carrying amount			
At 30 September 2023	84,066	36,638	120,704
At 30 September 2022	112,167	40,665	152,832

13 Debtors

	2023 £	2022 £
Current		
Trade debtors	60,584	152,203
Other debtors	27,775	30,254
Prepayments	86,650	120,070
	175,009	302,527

14 Cash and cash equivalents

	2023 £	2022 £
Cash in hand	53	53
Cash at bank	1,003,165	124,786
	1,003,218	124,839

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

15 Creditors

	Note	2023 £	2022 £
Due within one year			
Trade creditors		91,607	132,876
Amounts owed to group undertakings and undertakings in which the company has a participating interest	21	-	480,000
Social security and other taxes		40,856	34,217
Outstanding defined contribution pension costs		13,278	18,545
Other payables		40,946	39,878
Accruals		<u>339,002</u>	<u>570,187</u>
		<u>525,689</u>	<u>1,275,703</u>
Due after one year			
Loans and borrowings	18	-	100,000
Amounts owed to group undertakings and undertakings in which the company has a participating interest		<u>-</u>	<u>1,625,226</u>
		<u>-</u>	<u>1,725,226</u>

16 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £82,260 (2022 - £73,977).

Contributions totalling £13,278 (2022 - £18,545) were payable to the scheme at the end of the year and are included in creditors.

17 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares of £20 each	<u>168,173</u>	<u>3,363,460</u>	<u>10,000</u>	<u>200,000</u>

New shares allotted

During the year 158,173 Ordinary shares having an aggregate nominal value of £3,163,460 were allotted for an aggregate consideration of £3,163,460.

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

18 Loans and borrowings

	2023	2022
	£	£
Non-current loans and borrowings		
Other borrowings	-	100,000
	<u>-</u>	<u>100,000</u>

19 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2023	2022
	£	£
Not later than one year	26,880	25,600
Later than five years	426,420	497,490
	<u>453,300</u>	<u>523,090</u>

20 Contingent liabilities

The company has a management incentive scheme in place that may necessitate a maximum pay-out of £300,000.

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

21 Related party transactions

Summary of transactions with parent

During the year Bau Global Limited purchased the remaining 40% of the share capital in MLA College Limited for a fee of £1,320,000 by transferring the sub-ordinated debt owed to The Institute of Marine Engineering, Science & Technology (ImarEST) from MLA College Limited.

Bau Global Limited also made advances of £1,476,044 (2022: £429,419) to MLA College Limited via Bahcesehir University and AA Egitim Kurumlari Anonim Sirketi.

The outstanding amounts due to Bau Global Limited were partially repaid by the issue of 108,173 Ordinary £20 shares, totalling £2,163,460 during the year.

On 21 August 2023 Bau Global Limited sold the entire share capital of MLA College Limited to Global Education Holdings Limited. As part of this agreement Bau Global Limited agreed to release debts of £1,689,162 owed by MLA College. This resulted in £1,689,162 being credited to the profit and loss account.

At the year end no amounts were due to or from Bau Global Limited (2022: £1,056,578).

Summary of transactions with other related parties

During the year The Institute of Marine Engineering, Science & Technology (ImarEst) sold 40% of the share capital in MLA College Limited to Bau Global Limited. As part of this agreement ImarEST agreed to write off any amounts owing by MLA College, this resulted in £531,673 being credited to the profit and loss account in the year.

At the year-end no amounts were owed to or from ImarEST (2022: £1,831,674).

As part of the agreement with Global Education Holdings Limited, Huseyin Yucel agreed to release any debts owed by MLA College Limited, this resulted in £100,000 being credited to the profit and loss account in the year.

22 Parent and ultimate parent undertaking

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

The ultimate controlling party is Dr V. Rana.

MLA College Limited

Notes to the Financial Statements for the Year Ended 30 September 2023

23 Details of grant and fee income

	2023	2022
	£	£
Grant income from the OfS	-	-
Grant income from other bodies	-	-
Fee income for taught awards (exclusive of VAT)	1,107,004	1,387,280
Fee income for research awards (exclusive of VAT)	-	-
Fee income from non-qualifying courses (exclusive of VAT)	-	-
Non-fee income	-	-
	<u>1,107,004</u>	<u>1,387,280</u>

24 Access and participation statement

MLA College Limited has an access and participation statement in place.

MLA College Limited

Detailed Profit and Loss Account for the Year Ended 30 September 2023

	2023 £	2022 £
Turnover	1,107,004	1,387,280
Cost of sales	<u>(509,042)</u>	<u>(605,903)</u>
Gross profit	597,962	781,377
Administrative expenses (analysed below)		
Employment costs	(1,057,133)	(690,250)
Establishment costs	(175,660)	(135,772)
General administrative expenses	(524,898)	(403,469)
Finance charges	(18,808)	(20,529)
Depreciation costs	<u>(196,114)</u>	<u>(199,199)</u>
Operating loss	(1,374,651)	(667,842)
Gain on related party loans written off	2,319,076	-
Other interest receivable and similar income	195	70
Interest payable and similar charges	<u>(1,375)</u>	<u>(1,575)</u>
Profit/(loss) before tax	<u><u>943,245</u></u>	<u><u>(669,347)</u></u>

MLA College Limited

Detailed Profit and Loss Account for the Year Ended 30 September 2023

	2023 £	2022 £
Turnover		
Module fee income	1,089,800	1,394,780
Programme development income	26,704	-
Grants and subsidies	(9,500)	(7,500)
	1,107,004	1,387,280
Cost of sales		
Direct costs	181,596	211,230
Wages and salaries	124,597	253,021
Staff NIC	19,662	37,414
Staff pensions	23,472	29,298
Private health insurance	4,650	8,157
Travelling	147,630	61,183
Hire of plant and machinery	7,435	5,600
	509,042	605,903
Employment costs		
Wages and salaries	591,975	417,709
Staff NIC	101,677	53,377
Directors remuneration	228,595	131,239
Directors NIC	29,184	17,684
Staff pensions	42,818	34,886
Directors pensions	15,969	9,793
Private health insurance	24,942	6,789
Subcontract cost	1,591	7,568
Staff training	20,382	11,205
	1,057,133	690,250
Establishment costs		
Rent	131,478	119,070
Rates	-	162
Light, heat and power	42,280	12,061
Repairs and maintenance	1,902	4,479
	175,660	135,772

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 2023

	2023	2022
	£	£
General administrative expenses		
Telephone and fax	3,741	7,104
Computer software and maintenance costs	109,402	71,174
Printing, postage and stationery	2,832	4,978
Trade subscriptions	32,024	21,329
Sundry expenses	2,411	3,345
Cleaning	8,601	9,431
Insurance	20,059	19,545
Advertising	225,360	187,001
Customer entertaining	538	246
Accountancy fees	2,951	9,900
Auditor's remuneration - The audit of the company's annual accounts	7,500	5,640
Auditors' remuneration - non audit work	3,500	11,320
Consultancy fees	56,426	20,131
Legal and professional fees	49,553	32,325
	<u>524,898</u>	<u>403,469</u>
Finance charges		
Bank charges	<u>18,808</u>	<u>20,529</u>
Depreciation costs		
Amortisation of intangible assets	142,616	128,102
Depreciation of fixtures and fittings	53,498	71,097
	<u>196,114</u>	<u>199,199</u>
Gain/(loss) on financial assets at fair value through profit and loss		
Other exceptional item	<u>2,319,076</u>	<u>-</u>
Other interest receivable and similar income		
Other interest receivable	<u>195</u>	<u>70</u>
Interest payable and similar expenses		
Other interest payable	942	994
Foreign currency (gains)/losses	433	581
	<u>1,375</u>	<u>1,575</u>

Document

Name Final Accs with detailed P&L acc.pdf
Creator Justine Twomey (JustineTwomey@condymathias.co.uk)
Date 03 November 2023 11:04:11 UTC
Identifier cd2006e7-eea1-4653-8cd6-e0ca8190c02d

Signers**basak.akdemir@mla.ac.uk**

E-mail basak.akdemir@mla.ac.uk
Signed 03 November 2023 14:14:03 UTC
IP address 46.142.193.109

RichardBaker@condymathias.co.uk

E-mail RichardBaker@condymathias.co.uk
Signed 06 November 2023 8:40:31 UTC
IP address 77.107.66.246