Company Registration No. 04903429 (England and Wales)

ICON COLLEGE OF TECHNOLOGY AND MANAGEMENT LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

ICON COLLEGE OF TECHNOLOGY AND MANAGEMENT LTD

COMPANY INFORMATION

Directors	Mr Azizur Rahman	
	Dr Nurun Nabi	
	Ms A Deac	(Appointed 25 June 2019)
Company number	04903429	
Registered office	Unit 21 1-13 Adler Street London E1 1EG	
Auditor	Reddy Siddiqui LLP 183-189 The Vale Acton London W3 7RW	

ICON COLLEGE OF TECHNOLOGY AND MANAGEMENT LTD

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ICON COLLEGE OF TECHNOLOGY AND MANAGEMENT LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present the strategic report for the Year ended 30 September 2019.

Statement on Corporate Governance and Internal Control
ICON College is not required to include a corporate governance statement or a statement of internal control in its financial statements until next year (2019-20) in line with the OfS Accounts Direction (OfS 2019.41) but has opted to provide an explanation of its governance and management arrangements this year.

Corporate and academic governance

The company is governed by its Instrument and Articles, amplified by descriptions of the roles of boards, committees and senior postholders in the Quality Assurance and Enhancement Manual.

The governing body is the Board of Directors. During the period of the Financial Statements there were three directors:

- Mr Azizur Rahman, Managing Director
- Professor Nurun Nabi, Principal.
- Ms Andreea Deac, non-executive: appointed 25 June 2019.

The governing body is supported by a Finance Committee which advises management and the Board on budgeting, cash flow, accounting matters and value for money.

Academic governance is led by the Academic Board, chaired by the Principal, which is responsible for the oversight of all aspects of teaching and learning and for assurance about academic quality and standards. The Academic Board is attended by all senior academic staff as well as student representatives and it is supported by a network of committees and sub-committees.

One significant addition to our committee structure during the period was the In-College Consumer Law Group, responsible for ensuring compliance with the Consumer Rights Act.

College Leadership

The Managing Director is the College's Accountable Officer, designated to deal with the Office for Students. He works alongside the Principal who is the chief academic officer. The third member of the senior team is the Vice-Principal, Professor Reza Joadat. These individuals comprised the Senior Management Team during the period of the Financial Statements. A second Vice-Principal Professor Alan Jones has been appointed from 10 February 2020.

Internal control and risk management

The College is organised into five academic departments supported by specialist functions covering all aspects of the student experience from marketing and recruitment through to examinations and careers. The Managing Director directly oversees College administration and financial management. Financial processing is undertaken internally but management accounting and financial advice are sourced from an external accountancy firm.

The College operates a risk register which aims to identify all risks, including risks to teaching and learning and the student experience. This is a critical time for the College: it has had recent success with its successful OfS registration and the award of Silver in the Teaching Excellence Framework but is faced with the considerable risk posed by Brexit. The bulk of our current students are EU citizens and in future such individuals will not be able to access student support in England. However, we have a risk strategy which has identified a number of ways in which we can mitigate this risk, secure the College and protect students' and future students' interests. This includes the negotiation of a validation partnership with a University which is close to being finalised.

There were no frauds or other significant internal control weaknesses in the period

Review of governance

In the period between the end of the financial year and the approval of the financial statements we undertook a review of our governance arrangements and set in motion a number of changes that will be brought about in the first quarter of 2020. These changes include:

- a new set of Articles that expressly reflects our obligation to the Office for Students;
- a set of Bye Laws to provide comprehensive detail about how our governance structures work;
- the appointment of a fourth director;
- the establishment of an audit committee;
- the appointment of a College Secretary;
- the adoption of new policies covering ethics, conflicts of interest, nominations standards, board delegation and student value for money.

The review of governance has prompted us to reflect on Board responsibilities in the light of guidance in the HE Code of Governance and the Board has now adopted this statement of primary responsibilities.

Statement of Primary Responsibilities

The Board of Directors of ICON College is also the Board of Governance. As a limited company and a registered HE provider the directors have adopted, with effect from 20 February 2020, the following Statement of Primary Responsibilities, drawing on the model in the HE Code of Governance. The Board's responsibilities are:

1. To approve the mission and strategic vision of the College, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of shareholders, students and other stakeholders.
2. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the College against the plans and approved key performance indicators, which will be – where possible and appropriate – benchmarked against other comparable institutions.
3. To delegate authority to the Managing Director for the corporate, financial, estate and human resource management of the institution; and to the Principal for all academic affairs. To establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Managing Director and Principal.
4. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.
5. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.
6. To conduct its business in accordance with best practice in corporate governance and with the College's Code of Ethics.
7. To safeguard the good name and values of the College.
8. To appoint the Managing Director and Principal, and to put in place suitable arrangements for monitoring their performance.
9. To appoint a Secretary to the governing body.
10. To be the employing/main authority for all staff in the College and to be responsible for establishing a human resources strategy.
11. To be the principal financial and business authority of the College, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the institution's assets.
12. To be the College's legal authority and, as such, to ensure that systems are in place for meeting all the College's legal obligations, including those arising from contracts and other legal commitments made in the institution's name.
13. To receive assurance that adequate provision has been made for the general welfare of students.
14. To ensure that the College's constitution (Articles and Bye Laws) is followed at all times and that appropriate advice is available to enable this to happen.

On behalf of the board

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Mr Azizur Rahman

Director

26/02/2020

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their annual report and financial statements for the Year ended 30 September 2019.

Principal activities

The principal activity of the company continued to be that of running a college.

Directors

The directors who held office during the Year and up to the date of signature of the financial statements were as follows:

Mr Azizur Rahman	
Dr Nurun Nabi	
Ms A Deac	(Appointed 25 June 2019)

Auditor

The auditor, Reddy Siddiqui LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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

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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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

On behalf of the board

....
Mr Azizur Rahman
Director

....
Dr Nurun Nabi
Director
Interim Chair, Board of Governance

Date: 26/02/2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICON COLLEGE OF TECHNOLOGY AND MANAGEMENT LTD

Opinion

We have audited the financial statements of Icon College of Technology and Management Ltd (the 'company') for the Year ended 30 September 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the 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 compliance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 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.
- meet the requirements of the Accounts Direction issued by the Office for Students (OFS 2018.26).

Basis for opinion

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

Conclusions relating to going concern

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

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

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial Year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF ICON COLLEGE OF TECHNOLOGY AND MANAGEMENT LTD

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report 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; 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' exemption in preparing the directors' report.

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://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.

S. Siddiqui

Seema Siddiqui (Senior Statutory Auditor)
for and on behalf of Reddy Siddiqui LLP
Chartered Accountants
Statutory Auditor

26.02.2020

183-189 The Vale
Acton
London
W3 7RW

ICON COLLEGE OF TECHNOLOGY AND MANAGEMENT LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	Year ended 30 September 2019 £	Year ended 30 September 2018 £
Turnover	**3**	7,516,881	6,347,939
Cost of sales		(1,627,689)	(1,597,489)
Gross profit		5,889,192	4,750,450
Administrative expenses		(3,218,436)	(2,845,390)
Operating profit	**4**	2,670,756	1,905,060
Interest payable and similar expenses	**8**	(4,991)	-
Profit before taxation		2,665,765	1,905,060
Tax on profit	**9**	(506,843)	(362,591)
Profit for the financial Year		2,158,922	1,542,469

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ICON COLLEGE OF TECHNOLOGY AND MANAGEMENT LTD

BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	10		177,214		135,761
Current assets					
Debtors	12	1,266,059		1,682,972	
Cash at bank and in hand		5,452,367		3,083,274	
		6,718,426		4,766,246	
Creditors: amounts falling due within one year	13	(455,079)		(629,768)	
Net current assets			6,263,347		4,136,478
Total assets less current liabilities			6,440,561		4,272,239
Provisions for liabilities	14		(34,066)		(25,555)
Net assets			6,406,495		4,246,684
Capital and reserves					
Called up share capital	17		890		1
Profit and loss reserves			6,405,605		4,246,683
Total equity			6,406,495		4,246,684

The financial statements were approved by the board of directors and authorised for issue on 26/02/2020 and are signed on its behalf by:

Mr Azizur Rahman
Director

Dr Nurun Nabi
Director
Interim Chair, Board of Governance

Company Registration No. 04903429

ICON COLLEGE OF TECHNOLOGY AND MANAGEMENT LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 October 2017		1	2,704,214	2,704,215
Period ended 30 September 2018:				
Profit and total comprehensive income for the period		-	1,542,469	1,542,469
Balance at 30 September 2018		1	4,246,683	4,246,684
Period ended 30 September 2019:				
Profit and total comprehensive income for the period		-	2,158,922	2,158,922
Issue of share capital	**17**	889	-	889
Balance at 30 September 2019		890	6,405,605	6,406,495

ICON COLLEGE OF TECHNOLOGY AND MANAGEMENT LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities					
Cash generated from operations	**19**		3,163,379		1,567,897
Interest paid			(4,991)		-
Income taxes paid			(696,543)		(184,011)
Net cash inflow from operating activities			2,461,845		1,383,886
Investing activities					
Purchase of tangible fixed assets		(93,641)		(98,922)	
Net cash used in investing activities			(93,641)		(98,922)
Financing activities					
Proceeds from issue of shares		889		-	
Net cash generated from/(used in) financing activities			889		-
Net increase in cash and cash equivalents			2,369,093		1,284,964
Cash and cash equivalents at beginning of Year			3,083,274		1,798,310
Cash and cash equivalents at end of Year			5,452,367		3,083,274

1 Accounting policies

Company information

Icon College of Technology and Management Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Unit 21, 1-13 Adler Street, London, E1 1EG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20% straight line
Fixtures, fittings & equipment	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1 Accounting policies **(Continued)**

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies **(Continued)**

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company’s accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019	**2018**
	£	**£**
Turnover analysed by class of business		
Fees from students	7,516,881	6,347,939

4 Operating profit

	2019	**2018**
Operating profit for the period is stated after charging:	**£**	**£**
Depreciation of owned tangible fixed assets	52,188	45,971
Operating lease charges	615,770	498,564

5 Employees

The average monthly number of persons (including directors) employed by the company during the Year was:

	2019 Number	2018 Number
Teaching staff	20	15
Non teaching staff	9	8
	29	23

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	1,002,161	834,644
Social security costs	106,030	88,004
Pension costs	14,354	7,160
	1,122,545	929,808

No staff earned over £100,00 per annum

6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	173,860	101,847
Amounts receivable under long term incentive schemes	-	-
Company pension contributions to defined contribution schemes	2,105	1,230
Compensation for loss of office	-	-
	175,965	103,077

The Directors salary (and that of the Principal) was subject to the same inflationary increase as other College staff. This policy was agreed by these two individuals in their roles as directors of the company and shareholders. The director did not receive any other taxable or non taxable benefits from the company.

Relationship of Principal/Managing director pay and remuneration expressed as a multiple	**2019**
The Managing Director and principal's total (being the same as basic) remuneration as a multiple of the median of all staff	2.4

Remuneration amounting to £0 (2018 - £0) has been waived.

6 Directors' remuneration **(Continued)**

Relationship of Principal/Managing director pay and remuneration expressed as a multiple

	2019
	£
	2
	2

7 Directors' transactions

Dividends totalling £0 (2018 - £0) were paid in the Year in respect of shares held by the company's directors.

8 Interest payable and similar expenses

	2019	2018
	£	£
Other finance costs:		
Other interest	4,991	-

9 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	498,332	351,550
Deferred tax		
Origination and reversal of timing differences	8,511	11,041
Total tax charge	506,843	362,591

9 Taxation (Continued)

The actual charge for the Year can be reconciled to the expected charge for the Year based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£	£
Profit before taxation	2,665,765	1,905,060
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	506,495	361,961
Depreciation on assets not qualifying for tax allowances	9,916	8,734
Deferred tax adjustments in respect of prior years	8,511	11,041
Annual investment allowance	(17,792)	(18,795)
Writing down allowances	(287)	(350)
Taxation charge for the period	506,843	362,591

10 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 October 2018	447,270	104,141	551,411
Additions	66,216	27,425	93,641
At 30 September 2019	513,486	131,566	645,052
Depreciation and impairment			
At 1 October 2018	328,675	86,975	415,650
Depreciation charged in the Year	42,548	9,640	52,188
At 30 September 2019	371,223	96,615	467,838
Carrying amount			
At 30 September 2019	142,263	34,951	177,214
At 30 September 2018	118,595	17,166	135,761

11 Financial instruments

	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,035,754	1,499,691
Carrying amount of financial liabilities		
Measured at amortised cost	268,323	247,377

12 Debtors

	2019	2018
Amounts falling due within one year:	£	£
Trade debtors	914,948	1,392,520
Other debtors	120,806	107,171
Prepayments and accrued income	230,305	183,281
	1,266,059	1,682,972

13 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	219,650	184,087
Corporation tax	153,332	351,543
Other taxation and social security	33,424	30,848
Other creditors	16,083	37,003
Accruals and deferred income	32,590	26,287
	455,079	629,768

14 Provisions for liabilities

		2019	2018
	Notes	£	£
Deferred tax liabilities	15	34,066	25,555

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

Balances:	**Liabilities 2019 £**	**Liabilities 2018 £**
Accelerated capital allowances	34,066	25,555

Movements in the Year:	**2019 £**
Liability at 1 October 2018	25,555
Charge to profit or loss	8,511
Liability at 30 September 2019	34,066

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

16 Retirement benefit schemes

Defined contribution schemes	**2019 £**	**2018 £**
Charge to profit or loss in respect of defined contribution schemes	14,354	7,160

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2019 £	**2018 £**
Ordinary share capital		
Issued and fully paid		
1 Ordinary of £1 each	890	1

18 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019	2018
	£	£
Within one year	626,560	498,564

19 Cash generated from operations

	2019	2018
	£	£
Profit for the Year after tax	2,158,922	1,542,469
Adjustments for:		
Taxation charged	506,843	362,591
Finance costs	4,991	-
Depreciation and impairment of tangible fixed assets	52,188	45,971
Movements in working capital:		
Decrease/(increase) in debtors	416,913	(442,358)
Increase in creditors	23,522	59,224
Cash generated from operations	3,163,379	1,567,897