Registered No. 04551096

ISTITUTO MARANGONI LIMITED

Annual report and Financial Statements

For the year ended 30 June 2022

Financial Statements for the year ended 30 June 2022

Contents

This document constitutes the annual report

Company Information

Registered No. 04551096

Directors
S Valenti
C Gorse (resigned 31 May 2022)
Prof M Hunt
Prof D Vaughan (resigned 30 June 2022)
A Abo Milhim (appointed 12 May 2022)
S Sivari (appointed 26 May 2022)
N Paronetto (appointed 31 May 2022)
V Berdah-Levy (appointed 1 June 2022)
Prof D Baker (appointed 6 June 2022)

Secretary
S Sivari (resigned 11 June 2022)
Pinsent Masons

Statutory Auditor
Deloitte LLP
Abbots House
Abbey Street
Reading, RG1 3BD United Kingdom

Registered Office
30 Fashion Street
London
E1 6PX
United Kingdom

Bankers
Royal Bank of Scotland
62-63 Threadneedle Street
London,
EC2R 8LA
United Kingdom

HSBC
8 Canada Square
London,
E14 5HQ
United Kingdom

BNP
10 Harewood Avenue
London
NW1 6AA
United Kingdom

Strategic Report

Istituto Marangoni Limited (the London School) is a UK based independent higher education provider and private limited company registered with Companies House. It is registered with the Office for Students (OfS). The principal activity of the company during the period was the provision of higher educational courses related to the fashion and design industry. The School's student recruitment continues to go from strength to strength consistently achieving and exceeding its annual targets. Over the reporting period the School was progressing the preparation of its TDAP application for formal submission. The TDAP application is an important part of the School's Strategy and Five year Plan that is monitored and refreshed/adjusted each year. More recently and during the reporting period the School started to scope the development of a new validation partnership to ensure continuity of students during the TDAP scrutiny process during that forms part of the next five year plan.

Financial performance review

	Year ended June 30, 2022	Year ended June 30, 2021	
	£	£	%
Turnover	20,989,411	16,136,129	30%
Operating Profit	7,702,941	4,454,004	73%
Profit after tax	6,487,441	4,196,118	55%

For the financial period ended 30 June 2022, turnover increased by 30% to £20,989,411 compared to 30 June 2021 in line with increase in the student number (plus 152) and yearly price increase in the student fees.

The operating profit increase is, hence, mainly driven by the turnover increase (due to the total population growth compared to previous year (plus 16.3%)) and the increase of the average student's fee (following Brexit effect, a larger number of students now pay the full international fee rates). Furthermore, the school has been able to optimize the operative costs, in particular the teaching costs section and the other general expenses.

Key Performance Indicators (KPIs)

The financial performance of the Company is driven by the overall quality and academic standards and success of the higher education provided to its students with great financial results being driven by strong academic results and student recruitment.
Primary KPIs are entrance student growth, retention rate of continuing students, average tuition fee for student, quality and academic standards and overall student satisfaction.
Student numbers are monitored weekly through the Weekly Enrolment Report (WeR).
The School also maintains good outcomes in the National Student Survey (NSS) that provides an important measure of overall student satisfaction and enables the School to benchmark its performance against comparable and competitor institutions and to support further enhancements to the student experience.

Regulatory compliance

Istituto Marangoni London continues to meet the relevant UK higher education regulatory requirements and that of its validating partner, Manchester Metropolitan University. The School continues to ensure compliance, enhancement and best practice through designated management teams and departments within the Company both at UK and (as applicable) at group level, charged with ensuring all relevant accreditations and licenses are maintained in line with legal advice and reported to the UK governing body. Quality standards, compliance and achievements against School strategic goals are monitored continuously through the London committees and reported on a quarterly basis to the governing body and Shareholders. Evidence of recent London School regulatory compliance are listed below undertaken (in part) during a COVID-impacted period without effect on compliance or overall quality standards.

Submissions and reviews in Academic Year 2021/22:

As a registered higher education provider with the Office for Students the London School submitted the following regulatory returns in accordance with the requirements of its conditions of registration.

- HESA AP Student Record
- OfS Financial Return
- National Student Survey
- Graduate Outcomes
- OIA Annual Return
- Prevent Annual Monitoring
- Unistats

The School also obtained a provisional TEF award pending the launch of the new TEF exercise in 2022/2023.

The School also continues to fulfil the requirements of its Student Sponsor Licence without any regulatory intervention by the UKVI with a successful track record in submitting its annual BCA return. The School continues to require additional Confirmation of Acceptance for Studies (CAS), to achieve its continued successive annual growth in student recruitment and to maintain its existing European student population following the implementation of Brexit.

Principal risks

Brexit risks

The main on-going impact from Brexit is the requirement for additional CAS to support continued growth in student recruitment, (including from established markets in the EU), and the having appropriate mitigation in place to facilitate faculty and staff recruitment. Overall student recruitment has held up well but with some shift in recruitment patterns across the different EU countries.

The School successfully applied for a Tier 2 sponsorship license application to enable it to maintain recruitment of specialist staff thereby facilitating staff mobility and knowledge transfer through secondments and new appointments from other Marangoni Schools in the EU.

Ukraine war

During 2021/2022 and then for 2022/2023 the School enabled students impacted by the Ukraine war and particularly those suddenly without access to funds to apply for support through the School's hardship funding and assisting with basic day to day living costs.

UK cost of living

The cost of living has been increasing across the UK since early 2021. The annual rate of inflation reached 9.4% in June 2022. The UK's annual inflation rate is higher that in comparable economies (i.e. France +7%). This increase has an impact on international students willing to study in the UK. In terms of the impact of cost of living, in practice due to their socio economic backgrounds the majority of our students are less likely to be impacted by comparison to the general student population. Additionally, the majority of our students must meet UKVI Visa requirements including having the necessary financial means to support their studies. However, all students including Home students and those accessing Student Loan Company (SLC) funding remain eligible to apply for hardship funds thereby minimizing any adverse impact on student progression and completion in response to unforeseen financial hardship.

COVID risks

The School has successfully transitioned from COVID and is fully operational following the release of lockdown restrictions. Virtually all continuing students have returned to study with a small number of applicants or returning students needing to suspend study/their place while their country remains in lockdown. The School continues to monitor any potential impact from COVID and any subsequent introduction of restrictions depending on government and public health guidance and would continue to ensure continuity of study as it did throughout full lockdown restrictions.

Financial risk management

Liquidity risks

Istituto Marangoni Limited remains in a healthy financial position, with adequate funding available, and so the liquidity risk to the company is considered to be minimal.

Currency exchange risks

Currency exchange rate risk is low as most students pay fees in local currency (GBP). However, some of the costs incurred by the company are incurred outside the United Kingdom, and therefore there is a risk that the exchange rates may differ from the rates expected when calculating the costs.

Based on the assessment performed by the company and its management, no elements were noted that might affect the Company's capability to comply with law, and to generate profits, cash, and consequently the overall financial sustainability for the upcoming periods.

....

V Berdah-Levy (Director)

Date: 08/12/2022

....

M Hunt (Director)

Date: 08/12/2022

Directors' report

The directors present their report and the financial statements for the period ended 30 June 2022.

Principal activity and business review

The principal activity of the company during the period was the provision of higher educational courses related to the fashion and design industry.

On 1 July 2020, Providence Equity Partners ('Providence'), the majority shareholder since 2011, sold its shares in the Group to a consortium comprised of global long-term institutional investors, including Canada Pension Plan Investment Board ('CPP Investments'), through its wholly owned subsidiary, CPP Investment Board Europe S.à r.l., and Montagu Private Equity LLP, alongside existing shareholders Téthys Invest SAS and Bpifrance Investissement Sas.

Results and dividends

The profit for the year amounted to £6,487,440 (2021: £4,196,118). In June 2022, a £10,000,000 dividend was approved by the directors (2021: £6,870,000) and paid prior to the year-end. Dividend paid were £200 per share (2021: £137.4 per share).

Directors

The directors who served the company during the period were:

S Valenti

C Gorse (resigned 31 May 2022)

Prof M Hunt

Prof D Vaughan (resigned 30 June 2022)

A Abo Milhim (appointed 12 May 2022)

S Sivari (appointed 26 May 2022)

N Paronetto (appointed 31 May 2022)

V Berdah-Levy (appointed 1 June 2022)

Prof D Baker (appointed 6 June 2022)

Secretary

S Sivari (resigned 11 June 2022)

Going concern

In assessing the going concern position of the Company for the financial statements for the year ended 30 June 2022, the Directors have considered the Company's cash flows, liquidity and activities.

In making this assessment the Directors have made a current consideration of the potential impact of the COVID-19 pandemic on the cashflows and liquidity of the Company for a period of twelve months from the date of approval of these accounts.

Based on the company's forecasts, the Directors have adopted the going concern basis in preparing the financial statements.

Post balance sheet event

TDAP Application

The School submitted an application for Taught Degree Awarding Power on the 1st July 2022. In relation to this, the School has since served notice on Manchester Metropolitan University with respect to its termination of the existing Memorandum of Agreement governing its validation relationship confirming that the partnership will not be renewed following expiry of the MOA at the end of its term in August 2023. Instead, the School will be working with another group company to provide these validation services in the intervening period with new students enrolling on programmes validated by the new partner from October 2023. In the meantime, a full road map has been developed guaranteeing continuity of study for all currently enrolled students.
Whilst at the current time negotiations with MMU are ongoing, any final penalties charged to the School are not anticipated to have a material impact on the future financial statements and sustainability of the School.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish thatthe company's auditors are aware of that information.

Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The reports were approved and authorised for issue by the Board and were signed on its behalf by

....

V Berdah-Levy

Date: 08/12/2022

....

M Hunt (Director)

Date: 08/12/2022

Statement of directors' responsibilities in relation to the financial statements

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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.

Statement on Corporate Governance and Internal Control

Istituto Marangoni Limited (the London School) is a UK based independent higher education provider and private limited company registered with Companies House. It is registered with the Office for Students (OfS) and has a well-established validating partnership with Manchester Metropolitan University. It also holds a Student Visa Sponsor License United Kingdom Visa & Immigration (UKVI)and has a well-established track record of compliance.
The London School is committed to adopting best governance practice as set out in relevant codes of governance, principally the CUC Code of Governance and the UK Corporate Governance Code. In accordance with its conditions of registration with the OfS, it upholds public interest governance principles that are reflected in its relevant governing documents.
In 2021/2022 the Board commissioned an independent external review of its governance. The focus of this review was to ensure the continued appropriateness of its governance infrastructure to support its prospective TDAP readiness and good governance practice building on earlier work and internal governance reviews.

The review identified a number of important recommendations that were approved and implemented by the Board in May 2022 including the following:

- extending the role of the Audit Committee to encompass the oversight of all aspects of risk including academic risk, disbanding the Board of Governors and redistributing its responsibilities across the Board and Board Committees and consolidating the work of the former School Board as an Academic Board reporting directly to the Board on matters of academic governance.
- Appointing one of the independent Non-Executive Directors as its Chair.
- establishing an additional Board sub-committee (the Finance and Resources Committee) that did not meet within the fiscal reporting period.

The Board of Directors

The Board of Directors is the ultimate accountable body and therefore ultimately responsible for the strategic direction, management, and financial solvency of the Company. Its remit is set out within the Company Articles of Association, its Statement of Primary Responsibilities, and the London School's Scheme of Delegation. The powers of the Company, the approval of the annual financial statements and accounts, the financial solvency and safeguarding of its assets are specifically reserved for the Board's own decision making and cannot be delegated.
The Board of Directors is supported and advised by its governance sub-committees; namely the Audit and Risk Committee and Academic Board, each of which has delegated responsibility for detailed aspects of governance. The Board of Directors and its sub-committees include an appropriately balanced membership of internal company Directors and external (Non-Executive Directors or Independent External) members. The Board of Directors and Audit and Risk Committee are each chaired by a Non-Executive Director and there is an Academic Student Governor who attends the Board. Members of the Board of Directors and the Board's appointed Independent External Members are required to disclose information on the Register of Interests which is updated annually and maintained by the Registrar. Appropriate due diligence checks are also undertaken as part of the nomination and appointment process in addition to members' declarations regarding their fit and proper status.

The remit and delegated responsibilities of the respective Board committees are summarised below.

The Board of Governors

Following the external independent review of governance, the Board of Governors was disbanded in May 2022 with its former role being redistributed between the Board of Directors and Academic Board.

Audit and Risk Committee

The Audit and Risk Committee is chaired by one of the Independent Non-Executive Directors and meets quarterly. It reviews and provides assurance on the London School's annual financial statements and appropriateness of financial policies. It exercises oversight of the risk management process, data processes and returns, regulatory compliance, quality assurance, health and safety, and systems of internal control to advise the Board of Directors. It approves and/or makes recommendations on the annual programme of internal audits, appoints internal auditors, and both engages with and oversees the work of the external auditors. It advises the Board of Directors on the reports of the Internal and External auditors, management response plans and any recommendations relating to the Board's system of internal control.

Academic Board

The Academic Board is the senior academic board and is responsible for ensuring oversight and enabling enhancement of the academic performance within the School, advising and recommending actions to the Board of Directors on all matters relating to the overall educational strategy and School achievement against relevant key performance indicators and UK Higher Education norms. It monitors, recommends, and reports on the effectiveness and implementation of a wide range of policies and procedures, enhancement projects, the student experience and compliance with the requirements of its validating partner and relevant UK regulatory bodies.

Key Governance Activities

During the reporting period, alongside standing governance activities and preparations towards an expression of interest submission for taught degree awarding powers, in common with the wider higher education and corporate sector, the London School managed and responded to the significant challenge of the COVID-19 Pandemic. The Board of Directors has exercised relevant governance oversight of the management of the academic, financial and organizational risks posed by the pandemic. Throughout the Board has been assured that appropriate controls for the management of risk are in place based upon the detailed and systematic reporting on the monitoring and mitigation of risks undertaken by the School, including the arrangements for maintaining continuity and quality of study.

The Board of Directors appointed two new independent Non-Executive Directors; one as a replacement for the Chair of the Audit and Risk Committee whose term of office ended on 30 June 2022 and the appointment of a non-executive director with expertise in corporate finance. Additional Directors were also appointed from the Executive team following the succession of the new School Director, Valerie Berdah-Levy and also the Director of Education while the former Company Secretary also became a Director.

Internal Control

The Board of Directors is responsible for ensuring and maintaining a sound system of internal control to support the School’s objectives, the safeguarding of its assets and resources and the management of risk. In accordance with the Scheme of Delegation, the Audit and Risk Committee maintains oversight of safeguarding of public and other funds (in line with the OfS’ Terms & Conditions of Funding in Higher Education Institutions) and the management of the Risk Register. The appointed internal auditors provide an independent opinion of the adequacy of the School’s risk management and the systems of internal control. The Board’s assurance role in assessing the effectiveness of the system of internal control is fulfilled and informed by the work of Internal Audit, the work of the senior and executive management and any judgements provided by the external auditors through their reports and management letter.

This system described below is an on-going process designed to identify the principal risks to the achievement of the School’s aims and objectives; to evaluate the likelihood and impact of those risks; and to manage them efficiently, effectively and economically. This process has been in place for the year ended 30 June 2022 and up to the date of approval of the financial statements and accords with OfS guidance.

The key elements of the School's systems of risk management and internal control, which are designed to discharge the responsibilities set out above, include the following:

- Clearly defined financial controls and procedures set and maintained at School level, in line with Shareholder and Board of Directors requirements and relevant UK regulations;
- Financial controls and procedures which provide oversight of the systems that prevent and detect fraud, bribery, and other irregularities (i.e., segregation of duty; sign-off forms; reports), are set out and maintained at School level under the oversight of the Board of Directors;
- Clearly defined requirements for approval and control of expenditure, with business plan decisions involving capital or turnover expenditure according to approved levels are set by the Shareholders under oversight by the Board of Directors;
- Active management and oversight of expenditure against cash flow and projected expenditure;
- 5 Year plan and annual financial sustainability and capital expenditure planning for Board of Directors consideration and ultimate Shareholder submission and approval;
- Quarterly School budget management and forecasting (under the School leadership team) in line with approved Board financial planning, reported through Audit and Risk Committee, to the Board and Shareholders
- Monthly forecasting business review, supplemented by detailed projected annual income, expenditure, capital and cash flow budgets to inform the Leadership team, Board of Governors and Audit and Risk Committee of ongoing performance;
- Weekly Market Reviews to monitor student recruitment and projected turnover results involving variance reporting and updates of forecast outturns.

Specific initiatives were undertaken to strengthen further the School's policy framework governing fraud and bribery in response to the outcome from internal audit with appropriate reporting to the Audit and Risk Committee.

Risk Management

- The School embeds risk management and internal control processes in the annual operation of academic and professional services activities;
- The School Risk Unit evaluates the likelihood and impact of risks, establishing mitigating controls through the School Risk Register, overseen by the School Registrar on behalf of the Leadership team. The Register includes an evaluation of the likelihood and impact of risks, and identifies mitigation measures;
- Clear responsibilities and delegated authority of managers including responsibility for identifying and managing operational risks at a departmental level and escalating significant risk to the Senior Management Team (SMT);

  The SMT evaluates identification and management of risk to the achievement of the London School's strategic objectives through the annual planning & quarterly review process including the quarterly review of the Risk Register.
- In addition to the Strategic Risk Register the School has a specific Risk Register for the DAP Project with the acquisition of DAP's being a fundamental part of its strategy and a series of operational risk registers maintained and reviewed by the relevant departmental Manager.

Internal Audit

- A professional independent Internal Audit team is appointed by the Audit and Risk Committee. The annual programme is approved by the Audit and Risk Committee and reports through the Audit and Risk Committee to the Board of Directors;
- The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

External Audit

- Deloitte LLP have been appointed to perform the external Audit on the Financial Statements of the Company.
- Audit Report is sent on a yearly basis to the Audit and Risk Committee for review and recommendation of approval to the Board of Directors.

Independent auditor’s report to the Members of Istituto Marangoni Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Istituto Marangoni (the ‘company’)

- give a true and fair view of the state of the company’s affairs as at 30 June 2022 and of its of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 18;

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).

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 Financial Reporting Council’s (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 financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements. 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.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation, the Office for Students "Regulatory Advice 9: Accounts Direction", and

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the companies ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address them are described below:

- Revenue recognition, specifically with respect to deferred revenue and adjustments to revenue: we performed substantive testing of a sample of revenue adjustments and deferred income by agreeing to the cash received, invoice raised and details on the enrolment forms.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with the office for students (OfS).

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the 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.

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 any material misstatements in the strategic report or the directors' report.

Opinions on other matters prescribed by the Office for Students (OfS) "Regulatory Advice 9: Accounts Direction"

In our opinion, in all material respects:

- funds from whatever source administered by the company for specific purposes have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS and UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.

We have nothing to report in respect of these matters.

Under the OfS Regulatory Advice 9: Accounts Direction, we are required to report in respect of the following matters if, in our opinion:

- the provider's grant and fee income, as disclosed in the note 15 to the accounts, has been materially misstated;

We have nothing to report in respect of these matters.

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.

Paul Thomas

Paul Thomas, DPhil, MChem, ACA
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom
8 December 2022

Profit and loss account

For the year ended 30 June 2022

	Note	2022	2021
		£	£
Turnover		20,989,411	16,136,129
Cost of sales		(6,281,751)	(4,718,920)
Gross profit		14,707,660	11,417,209
Administrative expenses		(7,004,719)	(6,963,205)
Operating profit	1	7,702,941	4,454,004
Interest receivable and similar income	2	751,811	814,516
Profit before taxation		8,454,752	5,268,520
Tax on profit	3	(1,967,311)	(1,072,402)
Profit for the year		6,487,441	4,196,118

All amounts relate to continuing activities.

There were no recognised gains or losses other than those included in the profit and loss account. The notes 1 to 18 form part of these financial statements.

Balance sheet

As at 30 June 2022

	Note	2022 £	2021 £
Non-current assets			
Tangible assets	4	1,245,991	1,644,597
Investments in associates	5	743,207	743,207
		1,989,198	2,387,804
Current assets			
Debtors amounts falling due after more than one year	6	158,389	7,846,615
Debtors amounts falling due within one year	6	13,828,733	11,420,017
Cash at bank and in hand		8,079,392	9,704,085
		22,066,514	28,970,717
Current liabilities			
Creditors amounts falling due within one year	7	12,111,885	16,116,241
Provision	8	219,000	-
Net current assets		9,735,629	12,854,476
Total assets less current liabilities		11,724,827	15,242,280
Non-current liabilities			
Creditors amounts falling due after more than one year	7	36,981	41,875
Net assets		11,687,846	15,200,405
Capital and Reserves			
Called up share capital	10	50,000	50,000
Share premium account	11	250,000	250,000
Profit and loss account	11	11,387,846	14,900,405
Total equity		11,687,846	15,200,405

The notes 1 to 18 form part of these financial statements. The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

V Berdah-Levy

Director

Date: 08/12/2022

M Hunt

Director

Date: 08/12/2022

Statement of changes in equity

For the year ended 30 June 2021

	Called-up share capital	Share premium	Profit and loss account	**Total equity**
At 1 July 2020	50,000	250,000	17,574,287	17,874,287
Comprehensive income				
Profit for the year	-	-	4,196,118	4,196,118
Total comprehensive income	-	-	4,196,118	4,196,118
Equity dividends (note 10)	-	-	(6,870,000)	(6,870,000)
At 30 June 2021	50,000	250,000	14,900,405	15,200,405

For the year ended 30 June 2022

	Called-up share capital	Share premium	Profit and loss account	**Total equity**
At 1 July 2021	50,000	250,000	14,900,405	15,200,405
Comprehensive income				
Profit for the year	-	-	6,487,441	6,487,441
Total comprehensive income	-	-	6,487,441	6,487,441
Equity dividends (note 10)	-	-	(10,000,000)	(10,000,000)
At 30 June 2022	50,000	250,000	11,387,846	11,687,846

Cash Flow statement

For the year ended 30 June 2022

	2022	2021
Cash Flows used in operating activities		
Profit for the year before tax	8,454,752	5,268,520
Depreciation on property, plant and equipment	662,140	731,015
Foreign exchange gain/(loss)	72,472	600,543
Interest received	(751,811)	(814,516)
Profit before working capital changes	8,437,553	5,785,562
Movements in deferred turnover	2,189,764	2,438,076
Decrease/(increase) in trade and other receivables	(181,545)	(13,157)
Increase/(decrease) in trade payables	355,865	294,762
Cash generated from operations	10,801,637	8,505,243
Income tax paid	(1,321,358)	(1,458,645)
Net cash generated from operating activities	9,480,279	7,046,598
Cash Flows used in investing activities		
Purchase of property, plant and equipment	(263,534)	(832,163)
Repayment of loan issued to other group company	4,941,890	-
Interest received on intercompany loan	1,086,671	-
Net cash used in investing activities	5,765,027	(832,163)
Cash Flows used in financing activities		
Payment of dividends	(16,870,000)	-
Net cash used in financing activities	(16,870,000)	-
Net decrease/(increase) in cash and cash equivalents	(1,624,694)	6,214,435
Cash and cash equivalents at the beginning of the year	9,704,086	3,489,651
Cash and cash equivalents at the end of the year	8,079,392	9,704,086

The cash flow statement scheme has been edited compared to the previous year.
In the prior year cashflow statement the lines interest received, foreign exchange gain/loss, increase in trade and other receivables and decrease in trade payables were all included within one line. These have been separated out in the current year to provide clearer information for the users of the financial statements.

Notes to the financial statements

For the year ended 30 June 2022

1. Statement of principle accounting policies

Statement of compliance

Istituto Marangoni Limited is a limited liability company incorporated in England. The Registered office is 30 Fashion Street, London E1 6PX, United Kingdom

The financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 30 June 2022.

Basis of preparation

The financial statements of the company were approved for issue by the Board of Directors on the 30th November 2022. The financial statements have been prepared in accordance with applicable accounting standards and under OfS Regulatory Advice 9: Accounts direction.

The company has taken advantage of the following disclosure exemptions under FRS 102:

- The requirements of Section 11 paragraphs 11.39 to 11.43A and Section 12 paragraphs 12.26 to 12.29 providing the equivalent disclosures required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.
- The requirement of Section 33 Related Party Disclosures paragraph 33.1.

The financial statements have been prepared under the historical cost convention.
The company's financial statements are prepared in Sterling and all values are rounded to the nearest pound,except when otherwise indicated.

Going concern

In assessing the going concern position of the Company for the financial statements for the year ended 30 June 2022, the Directors have considered the Company's cash flows, liquidity and activities.

In making this assessment the Directors have made a current consideration of the potential impact of the COVID-19 pandemic on the cashflows and liquidity of the Company for a period of twelve months from the date of approval of these accounts.

Based on the company's forecasts, the Directors have adopted the going concern basis in preparing the financial statements.

Judgements and key sources of estimation

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for turnover and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. There are no significant judgements in the financial statements

There are no sources of material estimation uncertainty.

Notes to the financial statements

For the year ended 30 June 2022

Statement of principle accounting policies (continued)

Significant accounting policies

Tangible fixed assets

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such cost included costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold property	−	20% straight line
Computer equipment	−	33% straight line
Fixtures & fittings	–	25% straight line
Plant & Machinery	−	20% straight line

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For Assets Under Construction (AUC), there is no depreciation of the accumulated costs until the project is completed and the asset is placed into service.

Turnover recognition

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance and provision of higher educational courses related to the fashion and design industry. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Turnover represents the value of the work done in the period, including estimates of amounts not invoiced. Turnover in respect of contracts for on-going services is recognised by reference to the stage of completion.

Any portion of the work not yet delivered is recognised as deferred income.

Interest income

Interest income is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrumentsto its net carrying mount.

Dividends

Dividends are recognised when the company’s right to receive payment is established.

Notes to the financial statements

For the year ended 30 June 2022

Statement of principle accounting policies (continued)

Significant accounting policies (continued)

Provision for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the rate of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All the differences are taken to the income statement.

Financial instruments

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire.

Debtors and creditors

With no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Operating lease commitments

The company has entered into commercial property leases as a lessee. The classification of such leases as operating leases requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Pensions

The company makes defined contributions to a group personal pension scheme on behalf of its employees. Contributions are charged to the profit and loss account in the period in which they become payable.

Investment in associates

The investment is measured at cost less any accumulated impairment losses recognised. There has been no change in the carrying value of this investment compared with the prior year.

Notes to the financial statements

For the year ended 30 June 2022

1. Operating Profit

The operating profit is stated after charging:	12 Months 2022 £	12 Months 2021 £
Depreciation of tangible fixed assets	662,140	731,015
Auditors' remuneration for auditing of the financial statements (includes irrecoverable VAT)	66,000	66,000
Net profit on foreign exchange transactions	72,472	600,543
Rent	2,033,916	2,047,798
	2,834,528	3,445,356

The auditor, Deloitte LLP (2021 Deloitte LLP), did not perform any non-audit services.

2. Interest receivable and similar income

	12 Months 2022 £	12 Months 2021 £
Interest receivable on intercompany loan	751,811	814,516
	751,811	814,516

Notes to the financial statements

For the year ended 30 June 2022

3. Tax on profit on ordinary activities

	2022	2021
	£	£
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	1,686,580	1,107,921
Adjustments in respect of prior periods – corporation Tax*	247,564	-
Total current tax	1,934,144	1,107,921
Deferred tax (see note 7)		
Origination and reversal of timing differences	33,167	(35,519)
Total deferred tax	33,167	(35,519)
Total tax profit	1,967,311	1,072,402

*The adjustment in respect of Istituto Marangoni Ltd has over-claimed group relief for stat purposes for 2019/2020 which the company wasn’t entitled to as per submitted tax return. The closing carry forward position agrees to the expected tax.

Factors affecting tax charge for the year

The tax charge for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2022	2021
	£	£
Profit on ordinary activities before tax	8,454,752	5,268,520
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	1,606,403	1,001,019
Effects of:		
Expenses not deductible for tax purposes, other than goodwill		
Adjustments in respect of amortization and impairment	113,344	71,383
Adjustments to tax charge in respect of prior periods	247,564	-
Tax rate differences	-	-
Current tax charge for the year	1,967,311	1,072,402

The closing deferred tax liability as at the 30th June 2022 has been calculated at 25% (2021: 19%) reflecting the tax rate at which the deferred tax liability is expected to be reversed in future periods.
The March 2021 Budget announced an increase to the main rate of corporation tax to 25% from April 2023 which was substantively enacted on 24 May 2021. As the

The March 2021 Budget announced an increase to the main rate of corporation tax to 25% from April 2023 which was substantively enacted on 24 May 2021. As the proposal to increase the rate to 25% has been substantively enacted at the balance sheet date, its effects are included in these financial statements.

4. Tangible assets

	Leasehold Property	Plant & machinery	Fixtures & fittings	Computer equipment	Asset Under Construction	Total
	£	£	£	£	£	£
Cost						
At 1 July 2021	3,789,285	109,762	1,095,291	810,714	-	5,805,052
Transfer between classes	-46,217				46,217	-
Additions	5,430	35,986	27,352	92,082	102,684	263,534
At 30 June 2022	3,748,498	145,748	1,122,643	902,796	148,901	6,068,586
Depreciation						
At 1 July 2021	2,490,528	98,486	853,306	718,135	-	4,160,455
Charge for the year	501,909	6,021	96,301	57,909	-	662,140
At 30 June 2022	2,992,437	104,507	949,607	776,044	-	4,822,595
Carrying value						
At 1 July 2021	1,298,757	11,276	241,985	92,579	-	1,644,597
At 30 June 2022	756,061	41,241	173,036	126,752	148,901	1,245,991

5. Investment in associates

	June 30, 2022	June 30, 2021
	£	£
Investment in associates	743,207	743,207
	743,207	743,207

This investment in associates relates to a 30% investment in Istituto Marangoni Mumbai Training Centre Private Limited (Registered office: Ceejay House, F Block, Shivsagar Estate, Dr. Annie Besant Road, Worli - Mumbai 400018 India).

Istituto Marangoni Mumbai Training Centre Private Limited financial year ended is 31st March. Below relevant financial audited information:

	March 31, 2022	March 31, 2021
	INR	INR
Assets	208,273	164,129
Liabilities	52,244	67,832
Equity	156,029	96,297
Profit/Loss	59,732	20,666

6. Debtors

Due after more than one year

	June 30, 2022	June 30, 2021
	£	£
Amounts owed by parent company	-	7,846,615
Rent deposit	158,389	-
Total debtors amount falling due after more than one year	158,839	7,846,615
Due within one year		
Trade debtors	83,052	293,220
Amounts owed by parent company	12,190,305	9,899,355
Prepayments	1,555,376	1,220,227
Deferred tax asset (see note 7)	-	7,216
	13,828,733	11,420,018

For 2022, there has been a reclass of £158,389 Rent Deposit between Current assets and Non-current asset.

Debtors (continued)

Included in amounts owed by group undertakings due within one year relates to the following loans:

- EUR 7,000,000 to Galileo Global Education Luxco S.a.r.l (formerly MBSP 3 S.a.r.l). The loan accrues interest at a rate of 4.75% per annum. This will be payable within next financial year unless further subsequent agreement.
- £1,500,000 to Galileo Global Education Luxco S.a.r.l (formerly MBSP 3 S.a.r.l). The loan accrues interest at a rate of 8.1875% per annum and is repayable on demand. This will be payable within next financial year unless further subsequent agreement.

Accrued interest is included in amounts owed by group undertakings.

The 3 loans and accrued interests to Istituto Marangoni S.r.l. were settled in December 2021.

7. Creditors

Due within one year

	June 30, 2022	June 30, 2021
	£	£
Trade creditors	612,622	1,085,522
Amounts owed to group undertakings	235,617	101,292
Deferred tax liability (see note 7)	25,951	-
Social security and other taxes	92,067	64,891
Dividends payable	-	6,870,000
Accruals	2,195,406	1,726,122
Corporation tax payable	723,546	231,502
Deferred income	8,226,676	6,036,912
	12,111,885	16,116,241

Due after more than one year

	June 30, 2022	June 30, 2021
	£	£
Deferral rent expenses	36,981	41,875
	36,981	41,875

8. Provision

	June 30, 2022	June 30, 2021
	£	£
Provision	219,000	-
	219,000	-

Provision related to the notice served to Manchester Metropolitan University with respect to their termination of the existing Memorandum of Agreement governing its validation relationship confirming that the partnership will not be renewed following expiry of the MOA at the end of its term in August 2023. The amount is expected to be paid in the next Financial year.

9. Deferred tax

The deferred tax liability is made up as follows:

	June 30, 2022	June 30, 2021
	£	£
At beginning of year	7,216	(28,303)
Prior year adjustment	-	-
Charged during year	(33,167)	35,519
(Liability)/asset at end of the year	(25,951)	7,216

Deferred tax relates entirely to accelerated capital allowances.

The closing deferred tax liability as at the 30th June 2022 has been calculated at 25% (2021: 19%) reflecting the tax rate at which the deferred tax liability is expected to be reversed in future periods. The March 2021 Budget announced an increase to the main rate of corporation tax to 25% from April 2023 which was substantively enacted on 24 May 2021. As the proposal to increase the rate to 25% has been substantively enacted at the balance sheet date, its effects are included in these financial statements.

10.Share capital

	June 30, 2022	June 30, 2021
	£	£
Authorised, allotted, called up and fully paid		
50,000 Ordinary Shares of £1each	50,000	50,000

11. Reserves

	Share Premium Account	Profit and loss account
	£	£
At 1 July 2021	250,000	14,900,405
Profit for the year	-	6,487,441
Dividends paid on equity capital	-	(10,000,000)
At 30 June 2022	250,000	11,387,846

Notes to the financial statements

For the year ended 30 June 2022

12. Dividends

	June 30, 2022	June 30, 2021
	£	£
Dividends paid on equity capital	10,000,000	6,870,000

Dividend paid were £200 per share (2021: £137.4 per share).

13. Operating lease commitments

At 30 June 2022, the company had commitments under non-cancellable operating leases as follows:

Building

	June 30, 2022	June 30, 2021
	£	£
Amounts payable:		
No later than 1 year	2,011,284	2,011,284
Later than 1 year and no later than 5 years	8,045,136	8,045,136
Later than 5 years	4,254,003	6,265,287
	14,310,423	16,321,707

Equipment

	June 30, 2022	June 30, 2021
	£	£
Amounts payable:		
No later than 1 year	40,166	-
Later than 1 year and no later than 5 years	40,166	-
Later than 5 years	-	-
	80,332	-

Notes to the financial statements

For the year ended 30 June 2022

14.Staff costs

Staff costs breakdown

	12 Months 2022	12 Months 2021
	£	£
Wages and salaries – Teachers	2,360,870	2,225,276
Wages and salaries- Administration	1,246,647	1,128,511
Social security costs	283,623	224,124
Pension costs	36,598	34,750
	3,927,738	3,612,661

The number of staff was made up as following:

	No. 2022	*No.* 2021
Administration – Employees	30	29
Academic Staff – Employees	8	7
Academic Staff – Contracted	95	91

Administration and Academic Staff are calculated as average number.
Academic Staff contracted are calculated as head count.

Basic Salary of other higher paid staff

Two staffs have a full-time equivalent basic salary of over £100,000 per annum.

	12 Months 2022 **Number of staff**	12 Months 2021 **Number of staff**
Basic salary per annum		
£100,000 - £104,999	1	-
£105,000 - £109,999	1	-
£110,000 - £114,999	-	-
£115,000 - £119,999	-	-

School Director remuneration

The School undertakes a remuneration review process annually with all staff. This process ensures appropriate remuneration for all staff members respecting value, contribution and market positioning. The review includes:

- conclusion of individual performance review (line manager evaluation on the basis of set objectives and related achievements);
- annual company budget is considered with which potential remuneration increases can be proposed;
- the School Director projects proposed increases for all eligible IM Ltd employees which are reviewed by Human Resources, to ensure consistency with evaluation/ process and budgetary impact;
- the IM Srl Managing Director (on behalf of shareholders) projects proposed increases for the IM Ltd School Director which are reviewed by IM Srl Human Resources, to ensure consistency with evaluation/ process and budgetary impact;
- approval is confirmed through employment appraisal criteria where consistency of methodology and outcome across the Shareholder organisation (respecting local employment conditions) is considered.
- In addition, in 19/20, a competitor market pay scale analysis (by the independent organisational firm consultancy, Korn Ferry) was undertaken to evaluate all School salaries in relation to both the higher education and the corporate sector.

The School Director's annual remuneration review and that of any other employee falling within the OfS disclosure requirement, is considered within the OfS disclosure requirement, is considered separately as a reserved item by the Board of Directors (excluding the School Director or any other Senior Manager). As part of this process, the Board is also consulted on the specific performance measures (KPI's) used to determine both objective setting and monitoring and assessing achievement of performance against those objectives. Such performance measures are based on the overall organisational and strategic objectives including student recruitment targets, academic performance and achievement of specific projects.

	11 Months 2022	12 Months 2021
Basic salary	80,667	88,000
Payments in lieu of pension contributions	-	-
Payment of dividends	-	-
Performance-related pay and other bonuses	26,400	26,747
Pension contributions	-	-
Salary sacrifice arrangements	-	-
Compensation for loss of office	-	-
Any sums paid under any pension scheme in relation to employment with the provider	6,164	6,136
Other taxable benefits	-	-
Non-taxable benefits	-	-
Other remuneration	5,100	-

The amount paid to the former School Director for Performance-related pay and other bonuses for the financial year 2021 was £35,402.

The former School Director resigned from her role towards the end of the financial year with the last date of employment being 31 May 2022 and ceased to be a Company Director with effect from the same date.

From the 1st June 2022, she has been contracted as independent consultant.

The former School Director's annual basic salary was 2.4 (2021: 2.8) times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid to established and sessional staff.

The former School Director's total remuneration was 3.2 (2021: 3.2) times the median pay of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total salaries paid to established and sessional staff.

On 1st June 2022, a new School Director took up post and commenced appointment as a Company Director on the same date.

	1 Months 2022
Basic salary	8,567
Payments in lieu of pension contributions	-
Payment of dividends	-
Performance-related pay and other bonuses	-
Pension contributions	-
Salary sacrifice arrangements	-
Compensation for loss of office	-
Any sums paid under any pension scheme in relation to employment with the provider	431
Other taxable benefits	-
Non-taxable benefits	857

The newly appointed School Director's annual basic salary is 2.9 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid to established and sessional staff.

The newly appointed School Director's total remuneration is 2.7 times the median pay of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total salaries paid to established and sessional staff.

School Director Salary justification

Throughout the former School Director's employment from 2015 to 2022 inclusive the London School continuously achieved its goals and strategic objectives maintaining continued growth in student recruitment and maintaining a high quality student and academic experience. Good progress was made in terms of the progression of the TDAP project and the development of strategic educational partnerships. The former School Director was acknowledged as doing an outstanding job, meeting the vast majority of objectives and targets and was succeeded by an experienced School Director from our Paris School who was appointed for her extensive leadership skills, to further develop the School and to progress and lead the TDAP application to successful conclusion.

Severance payment

During Financial Year 2022, no severance payment has been paid out.

	12 Months 2022	12 Months 2021
Severance Payment	-	13,000

Executive directors payment

The executive company directors do not receive any emoluments

15. Turnover

The whole of the turnover is attributable to the provision of higher educational courses related to the fashion and design industry.

All turnover arose within the United Kingdom.

There is not grant income from the OfS or from other bodies.

	12 Months 2022 £	12 Months 2021 £
Grant income from the OfS	-	-
Grant income from other bodies	-	-
Fee income for taught awards (exclusive of VAT)	20,765,930	16,080,745
Fee income for research awards (exclusive of VAT)	-	-
Fee income for non-qualifying courses (exclusive of VAT)	223,481	55,384
Total grant and fee income	20,989,411	16,136,129

16. Related party transactions

The company has taken advantage of the exemption under paragraph 3 3.1 a of FRS 102 not to disclose transactions with fellow wholly owned subsidiaries.

17. Ultimate parent undertaking controlling party

On 1 July 2020, Providence Equity Partners (‘Providence’), the majority shareholder since 2011, sold its shares in the Group to a consortium comprised of global long-term institutional investors, including Canada Pension Plan Investment Board (‘CPP Investments’), through its wholly owned subsidiary, CPP Investment Board Europe S.à r.l., and Montagu Private Equity LLP, alongside existing shareholders Téthys Invest SAS and Bpifrance Investissement Sas.

GGE TCo 1 SAS is the ultimate Parent Company incorporated in France. GGE TCo 1 SAS is the parent of the largest and smallest group for which consolidated accounts containing the results of Istituto Marangoni Limited are drawn up. These are available from 41, Rue Saint Sebastien, Paris 75011 France.

18. Post balance sheet event

TDAP Application

The School submitted an application for Taught Degree Awarding Power on the 1st July 2022. In relation to this, the school has since served notice on Manchester Metropolitan University with respect to their termination of the existing Memorandum of Agreement governing its validation relationship confirming that the partnership will not be renewed following expiry of the MOA at the end of its term in August 2023. Instead, the School will be working with another group company to provide these validation services in the intervening period with new students enrolling on programmes validated by the new partner from October 2023. In the meantime, a full road map has been developed guaranteeing continuity of study for all currently enrolled students.
Whilst at the current time negotiations with MMU are ongoing, any final penalties charged to the School are not anticipated to have a material impact on the future financial statements of the School.