

ICMP MANAGEMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

ICMP MANAGEMENT LIMITED

COMPANY INFORMATION

Directors

A P Kirkham
P M Whittard
R T Stockwell
M Day
A C Harris
D M Baker
J C King
J Marzano
A L Y Davis (resigned 31 August 2022)

Registered number

04780788

Registered office

1B Dyne Road
Kilburn
London
NW6 7XG

Independent auditors

Venthams
Chartered Accountants & Statutory Auditor
Summit House
12 Red Lion Square
London
WC1R 4QH

ICMP MANAGEMENT LIMITED

CONTENTS

	Page
Statement of primary responsibilities	1-2
Strategic report	1 - 6
Directors' report	7 - 9
Directors' responsibilities statement	10
Independent auditors' report	11 - 14
Statement of comprehensive income	15
Balance sheet	16
Statement of changes in equity	17
Statement of cash flows	18 - 19
Analysis of net debt	20
Notes to the financial statements	21 - 37

ICMP MANAGEMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2022

Introduction

The Institute of Contemporary Music Performance (ICMP) is an independent provider of high-quality higher education to students of popular music. Our vision is of our graduates 'Shaping the Future of Music' and our mission is "To inspire, encourage and equip our students to succeed by delivering a relevant and innovative educational experience of the highest quality."

In this regard, the ICMP offers a range of specialist and fully accredited undergraduate, postgraduate and associated courses, covering subjects including guitar, bass, drums, vocals, songwriting, music business and music production primarily, and now encompassing more diverse subjects such as Digital Marketing and Event Management. The ICMP now proudly has its own degree awarding powers and will begin issuing its own degrees to students from the 22/23 cohort. Historically many of our courses have been validated by the University of East London and this agreement will now begin to come to an end over the following two years as we 'teach out' a small number of students.

In addition to the education provided as a result of the ICMP's course delivery, students also benefit from a range of services and support that enables and enhances their learning experience. This includes such things as access to the ICMP's career and artist development service; access to a range of counselling and personal guidance advisors and specialists; the use of facilities for private practice, free of charge; the opportunity to participate in the activities of the ICMP's internal record services label; and access to a wide range of internal and external gigs, masterclasses, seminars and other events for personal and professional development. Additionally, ICMP makes considerable effort and allocates significant resources to widening and supporting access and participation for more disadvantaged students.

Business review

The ICMP is registered with the OfS, and is a highly regarded, well-managed and properly regulated HE provider. Demographic projections for the next 5-10 years show increasing numbers of young people likely to enter Higher Education and, with continued and ongoing developments to our portfolio of courses and continuous improvements by way of marketing and promotion, we are well placed to take advantage of this projected growth. For the 2022 recruitment year, we are already seeing a more than 25% increase in applications.

A new strategic plan was launched from the end of 2021 and is now under implementation with goals operationalised for the period of 2021 - 2026. This plan encompasses 6 key areas of ambitious goals for future growth and development with staff and student communities consulted, engaged, and committed to its achievement.

The key strategic areas of focus are as follows.

- Achieving excellent student and graduate outcomes, building on current qualities and recognising areas to better monitor and enhance this success, meeting both regulatory, student and other stakeholder expectations in this regard.
- Continuing to develop a sustainable and innovative institutional model with excellence in leadership and governance. We would like to enhance and maintain a long and widely recognised track record in the development and implementation of academic, business and governance practices of the highest standards.
- Building and developing teams with strong professional standards and values, encouraging working in a collaborative and motivational environment. Central to the achievement of our goals is the continued creation of a professional, cohesive, motivated, and supportive staff community. Staff surveys have shown a positive improvement over the past 2 years as we invest in and support our staff through the pandemic and the more recent economic pressures.

ICMP MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

- Deliver excellent societal and environmental outputs. The ICMP recognises that it is part of the wider society and as such has responsibilities to that society beyond its own core interests. This strategic objective therefore encompasses developments above and beyond regulatory requirements in Access and Participation for underrepresented or disadvantaged groups. We also seek to promote an equal, diverse and inclusive working and learning environment for our staff, our students and other stakeholders.
- Our final key focus is in developing a progressive and technologically enhanced learning, working and business environment. The recent pandemic has served to highlight how useful a digitised and flexible operating environment can be in the event of an external crisis; however, it has also provided the opportunity for a 'cultural shift' in the way progressive education can be delivered. With an established HE sector still operating on a largely traditional basis, this therefore presents an opportunity for the ICMP to accelerate our own digital transformation, both in terms of academic delivery and the delivery of support and administrative services.

Investment in the ICMP estates continues and has been accelerated by the award of a £2 million capital grant from the OfS in October 2021. The Queens Park campus will represent, when complete, an additional 60% of space to accommodate and support planned growth. It also enables our students to enjoy a wide range of state-of-the-art equipment, studios, a performance venue and refectory for study, private practice, and more importantly to develop a collaborative and well-connected student community. Students now have access to two conveniently located campus buildings and this will continue to enhance student satisfaction, which over the past year has already seen significant improvements as evidenced by our NSS results.

We are committed to further estates investments over the next three years and aligning those plans with our strategic goals. Completing the Queens Park campus in an environmentally sustainable manner is our primary aim, whilst considering the projected growth of our student body and considering further estates development beyond 2025 as we reach capacity across the current footprint. The investment in our estate's strategy runs parallel with investment in our digital strategy and infrastructure over the following 3 years also, all of which is designed to support the student experience and the business growth plan.

We are now operating almost as normal following the challenges of the pandemic which impacted on trading performance between 2020 and 2022. Our strategic decisions during the pandemic to continue investing in our future growth plans, for example by increasing our staff base and capabilities alongside investments in estates and digital facility, has meant that the growth in fixed costs has outstripped revenue growth in the short term, and thus trading margins have been low. However, we are now seeing the benefits of those decisions in terms of increased recruitment growth and operational capability. Projections show that from 2022/23 onwards it will be less challenging financially as we recover from the pandemic period and begin to realise the growth potential of the business. Growth in turnover is likely to jump by approx. 13.3% in 22/23 opposed to the 10% growth achieved in the prior year and all current market indicators and recruitment success in 2022 show that we are on track to achieve that and our 3-year operational and financial goals.

The HE sectors continues to be extremely competitive, and post-pandemic trends and behaviors generally unknown across the sector, although appear to be settling to more familiar patterns in the year 2022. The ICMP will therefore continue to focus during 2022/23 on improving student recruitment and marketing practices in order to ensure the competitive position of the core business. We will continue to respond in an agile way to the social, political and economic challenges we face to ensure long-term sustainability. Overall, ICMP's strong managerial and leadership capability combined with the relevant systems, processes and sector understanding means we are well-placed to take advantage of opportunities and further develop the ICMP brand and business model for growth as well as improved efficiency and effectiveness.

ICMP MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

Statement of Corporate Governance

Overall corporate governance continues to be of the highest standards, with a well-developed and transparent approach to both corporate and academic governance with widespread use of independent and non-executive directors and student representation at all levels of the organisational structure. The ICMP conducts its business through a number of committees; each committee has terms of reference that are regularly reviewed.

During 2021/22, ICMP again demonstrated all external regulatory requirements regarding financial sustainability, management and governance and continued to be registered with the OfS in the 'Approved Fee Cap' category. ICMP's 'Student Route' visa license for recruitment of international students, issued by the Home Office was also once again renewed (as was our Skilled Worker license). This is a crucial part of our operations especially now Brexit has resulted in EU students moving to a different visa status. ICMP continues to be a member of Guild HE, one of two recognised representative bodies for the HE sectors.

A well-developed risk management process is in place, for both financial as well as operational risk. Both strategic and operational Risk Registers are regularly reviewed and updated, and action plans developed accordingly.

Assurance of the propriety and regularity of grant fund spend is supported by both our financial regulation framework and our systems of internal control. These are underpinned by formal financial planning and activities executed by the internal audit group and overseen by the Audit Committee

The Corporate Board and the Executive Committee have oversight of risk regulation and internal control. Specifically, the Corporate Board is provided with regular, formal reviews of ICMP's compliance with all the conditions of registration as required by the Office for Students (OfS).

During the year, ICMP has further developed its governance structure to ensure that the overall management and direction of the company continues to be subject to the highest standards of stewardship and oversight. In this regard the contribution of the non-executive Directors to the Corporate Board and the independent and student members of the Academic Board was significant, and the Audit and Remuneration and General Purposes sub-committees of the Corporate Board further consolidated their effective performance. The overall governance strategy and plans are regularly reviewed, and improvements made where required. ICMP's governance arrangements were reviewed externally during 2017/18 and are commissioned to be reviewed again externally in summer of 2022; however internal reviews of governance capability and committee effectiveness reviews are carried out annually at all levels of the organisation.

This continuous improvement of governance and management, combined with the new information technology and other investments referred to previously, means that better information is available to a wider team of experienced academics and professionals which will continue to improve decision making and performance at all levels of the organisation.

ICMP MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

Statement of Internal Control

This statement describes ICMP's arrangements for the prevention and detection of corruption, fraud, bribery and other irregularities for the financial reporting period 2021-22 and includes the period up to the approval of the financial statements by the Corporate Board in October 2022.

The following principles and associated practices of internal control have been applied:

- a. The process of identifying and managing risk is linked to ICMP achieving its objectives through a well-developed risk management register process which ensures that strategic, financial, compliance, reputational, operational and capital project risks are continuously reviewed and formally reported quarterly. The Corporate Board has ultimate oversight of the process with the operational responsibility resting with the Executive Committee. This review process informs ICMP's strategic and operational planning.
- b. The approach to internal control is risk-based, and ICMP regularly and systematically evaluates both the likelihood and the impact of risks becoming a reality against clear and standardised measures. All ICMP's risk registers record likelihood, impact, early warning indicators, actions to mitigate, and identify the individual responsible for these actions. Risk registers are reviewed at all levels of the business quarterly and ultimately are reviewed by the Executive Committee and Corporate Board. The Audit Committee monitors and assesses the efficacy of this process and uses the risk registers to inform and guide the work of the Internal Audit Group.
- c. ICMP's risk registers identify strategic, financial, compliance, reputational, operational and capital project risks and therefore cover business, operational and compliance risk as well as financial risk at both operational and strategic levels.
- d. Risk assessment and internal control are clearly embedded in ongoing operations as referred to above, consolidated through the quarterly review process.
- e. The Corporate Board, being ICMP's ultimate governing body, receives quarterly reports on internal control from the Audit Committee. This committee has oversight of the risk management framework that is in place, its operational efficacy, and guides the work of the Internal Audit Group. The Corporate Board therefore has the requisite information to challenge the Executive Committee
- f. Through the quarterly review of risk registers by the Executive Committee, the principal results of risk identification, risk evaluation and the management review of the effectiveness of the arrangements are reported to the Corporate Board.
- g. Through its published 'Terms of Reference', the 'Code of Governance' and the above 'Statement of Primary Responsibilities' the Corporate Board acknowledges its responsibilities for ensuring that a sound system of internal control is maintained, which is reviewed regularly for its effectiveness.
- h. There are no significant internal control weaknesses or failures that have arisen during the financial year or after the year end but before the financial statements were signed.
- i. ICMP maintains a constructive relationship with its external auditors to ensure appropriate review, challenge and support in ensuring its internal control procedures and delivery of value for money are strong and continually developing. The appointment of external auditors is subject to periodic review and approval by the Audit Committee to ensure an objective and independent relationship is maintained. Alongside, the activity of ICMP's Internal Audit Group is directed by the Audit Committee to meet the specific objectives of strengthening internal control, achieving value for money and meeting the organisation's strategic aims.

ICMP MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

Financial key performance indicators and Assessment of Going Concern

ICMP managed itself extremely well during the pandemic period, continuing to develop its strategic position, investing in key areas of the business and supporting staff in anticipation of the renewed growth that would occur post-pandemic. This strategy is now being vindicated as we see significant levels of increase in enquiry, application and acceptance by students into an enhanced portfolio of courses for the 2022 academic year. The receipt of a £2mn grant from the OfS in October 2022 was both a statement of support and recognition of ICMP's plans from this funding body, as well as an opportunity to develop and enhance the new facilities at nearby Queen's Park which supports future growth. Student numbers and turnover increased by 2.2% and 10% in 2022 respectively, and as a result of September 2021 recruitment numbers not giving much planned growth coupled with the significant commitments made by the company to invest in all areas, EBITDA was at approximately break-even for the May 21 accounts and in a recovery phase for the May 2022 accounts at £768,777. Albeit much improved compared to the prior year, our forecast, aspirations and evidence this far in the 22/23 recruitment cycle, show an enhanced speed of growth over the coming 3 years and all pre pandemic targets restored and set to be achieved.

The balance sheet has been consolidated and improved as the CBIL loans are gradually paid off; although leverage is still fairly high the balance sheet is projected to continue to improve going forward as revenues and profitability improve post-pandemic. Crucially, cash has continued to be well-managed, and liquidity is projected to progressively strengthen going forward with no risks to the ability of the business to comfortably meet its future obligations.

The finance team continues to provide relevant and timely information to budget holders, analysis to senior management decision makers and a continuously improving approach to credit control. This has enabled the management team to properly plan ahead and maintain all planned strategic investments and other business developments such as new course development, which will enable enhanced recruitment and hence growth in turnover going forward. Specifically, the team oversees a budget model with regular reviews, consisting of two years of detailed projections and a further three years of more general assumptions. This model is subject to regular stress testing to ensure decisions that are made do not impact the current or future financial sustainability of the business. Forecasts are monitored using a series of financial 'key performance indicators' and are reviewed quarterly by senior executives and the Corporate Board in alignment with planned strategic decisions and the ongoing commercial position. As part of ICMP's consideration of the appropriateness of adopting the going concern basis in preparing the financial statements, the following have been prepared and reviewed:

- A high-level forecast of income, expenditure and cash flows for the period to 31 May 2025.
- A review of debt covenants based on the forecasts for the five-year period from the balance sheet date, to ensure that these will not be breached under even worst-case scenarios.
- Stress testing of strategic commitments that have been made during the 12 months to May 2021 against the 5-year plan for financial sustainability.

These have been reviewed and agreed by the Corporate Board and the Senior Executive Team.

As a result, we are satisfied that there is sufficient liquidity and financial sustainability remains strong to enable continuity of operations for the foreseeable future. We have robust systems in place that allow us to identify any issues or concerns well in advance and enforce any required mitigating actions. We also can hold back planned capital projects as a mitigation to uncertainty. ICMP's Corporate Board therefore has a reasonable expectation that ICMP has adequate resources to continue to operate for the foreseeable future and will have sufficient funds to meet its liabilities as they fall due over a period of at least 12 months from the date of approval of these financial statements. These financial statements have therefore been prepared on a going concern basis.

ICMP MANAGEMENT LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2022**

This report was approved by the Board and signed on its behalf.

.....
D M Baker
Chair

Date:

ICMP MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2022

The directors present their report and the financial statements for the year ended 31 May 2022.

Results and dividends

The loss for the year, after taxation, amounted to £10,442 (2021 -loss £184,482).

During the year interim dividends of £69,984 (2021: £nil) were paid on the Ordinary shares.

Directors

The directors who served during the year were:

A P Kirkham
P M Whittard
R T Stockwell
M Day
A C Harris
D M Baker
J C King
J Marzano
A L Y Davis (resigned 31 August 2022)

Principal risks and uncertainties

Political uncertainty

We are in a period of political uncertainty, both internationally and domestically, and the new government's approach to HE remains unclear. The company's proactive approach to engaging with sector bodies will continue and enable the ICMP to monitor closely, respond and to hopefully influence to some degree, political changes.

There is an emerging national debate regarding the student loan cap which given the rising inflationary pressures sees the erosion of funding in real terms. This encourages the company to continue to develop additional funding streams such as short programmes of study, or growth in international student numbers to safeguard some of the risk.

Economic downturn

The 'cost of living' crisis that has been precipitated in part by global events, is set to continue for the foreseeable future and will inevitably have an impact on the cost base of the business. The operational costs of running the business, including the rising cost of fuel, have already made an impact to forecasted expenditure numbers and now careful review and consideration over the costs of capital projects and how that can be delivered are highlighted as a potential risk. Not to mention the impact that such economic climates will have on staff and students that we will need to help and support as far as means allow.

The ICMP's well-established approach to detailed financial forecasting and operational cost management will allow the company to continue with prudent financial decision making despite these pressures.

ICMP MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

Future developments

A new strategic plan has been launched at the end of 2021 and is now under implementation. This plan will build on recent strategic successes and set the direction for the next phase of growth and development of the institution. Having been granted the power to award our own degrees from 2022, our aim is to create a fully-fledged University with true global reach. We will develop an enhanced range of course choices for our students, effectively utilising current and future technology while retaining our core values of personalised contact and engagement and with in-built growth opportunities. We call this a 'University for the future'.

The focus for the new plan period will move towards future growth, although consolidation and continued development of demand for ICMP's core provision and meeting our regulatory obligations by delivering against expectations are of course key. However, we continue to believe that the future of HE will be different to the past and as such ICMP aspires to be a leader in terms of creating a more diverse portfolio of traditional and new courses, delivered through both digital and face to face channels in ways that afford the best range of choice, value and convenience to students while retaining the highest quality and standards. The recent pandemic, combined with rapid technological development and societal change, has highlighted and accelerated several opportunities for agile and forward-thinking HE providers such as ICMP and we will therefore be looking to build a new model of HE delivery while ensuring continued institutional growth and sustainability of our core portfolio of courses.

ICMP will continue to focus on the development of our estates, with the addition of new state-of-the-art, purpose-built studios and a performance venue completing our Queen's Park Campus ('QPC') by 2024. This space is available to all our students for both teaching and private practice and rehearsal to ensure that they can benefit fully from the investment across both campuses. However, we will be further developing and enhancing all our facilities for teaching and learning, focusing on technical provision at levels 4 and 5 (including part-time provision) and part-time and flexible study to support our access and participation plan in enhancing opportunities for students who might otherwise have difficulty participating. We will also be further developing our IT Infrastructure, including improvements to core IT systems to deliver efficiencies and improved effectiveness of new student systems, a new lecture capture system to support all students in studying when and where works best for them, and the implementation of middleware to provide integration and improved data flows and maximise the interoperability of new IT systems. In terms of portfolio development, we will continue to develop and expand our range of courses, through both digital and face to face channels, providing an enhanced range of choices for students and maximising their opportunities to achieve outstanding graduate outcomes.

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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Venthams, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

ICMP MANAGEMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2022**

This report was approved by the Board and signed on its behalf.

.....

D M Baker

Chair

Date:

ICMP MANAGEMENT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MAY 2022

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

ICMP MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ICMP MANAGEMENT LIMITED

Opinion

We have audited the financial statements of ICMP Management Limited (the 'Company') for the year ended 31 May 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006;

Basis for opinion

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

Conclusions relating to going concern

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 Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual 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 themselves. 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.

ICMP MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ICMP MANAGEMENT LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

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 or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 10, 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.

ICMP MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ICMP MANAGEMENT LIMITED (CONTINUED)

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

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

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, the Office for Students accounts direction, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include health and safety legislation and the Office for Students regulation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

ICMP MANAGEMENT LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ICMP MANAGEMENT LIMITED
(CONTINUED)**

Opinions on other matters prescribed in the Office for Students accounts direction

In our opinion, in all material respects:

- funds from whatever source administered by the institution for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation
- funds provided by the Higher Education Funding Council for England, the Office for Students and Research England have been applied in accordance with the relevant terms and conditions; and any other terms and conditions attached to them;
- the requirements of the Office for Students accounts direction have been met;
- the Company's expenditure on access and participation activities for the year has not been materially misstated.

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 and the Office for Students accounts direction. 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 Auditors' 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.

Venthams

Chartered Accountants
Statutory Auditor

Summit House
12 Red Lion Square
London
WC1R 4QH
Date:

ICMP MANAGEMENT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2022**

	Note	2022 £	2021 £
Turnover	4	9,802,631	8,909,815
Cost of sales		(3,218,597)	(3,536,932)
Gross profit		6,584,034	5,372,883
Administrative expenses		(6,250,821)	(5,573,113)
Other operating income	5	60,264	103,830
Operating profit/(loss)	7	393,477	(96,400)
Amounts written off loans		(114,224)	-
Interest receivable and similar income		-	1,943
Interest payable and similar expenses	12	(177,044)	(114,456)
Profit/(loss) before tax		102,209	(208,913)
Tax on profit/(loss)	14	(112,651)	24,431
Loss for the financial year		(10,442)	(184,482)
Other comprehensive income for the year			
Total comprehensive income for the year		(10,442)	(184,482)

ICMP MANAGEMENT LIMITED
REGISTERED NUMBER:04780788

BALANCE SHEET
AS AT 31 MAY 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	16	29,210	95,852
Tangible assets	17	3,603,194	1,954,886
Investments	18	475	475
		<u>3,632,879</u>	<u>2,051,213</u>
Current assets			
Debtors: amounts falling due within one year	19	1,025,312	1,136,561
Cash at bank and in hand	20	3,521,547	2,908,297
		<u>4,546,859</u>	<u>4,044,858</u>
Creditors: amounts falling due within one year	21	(3,195,144)	(2,668,989)
Net current assets		<u>1,351,715</u>	<u>1,375,869</u>
Total assets less current liabilities		<u>4,984,594</u>	<u>3,427,082</u>
Creditors: amounts falling due after more than one year	22	(3,600,264)	(2,095,898)
Provisions for liabilities			
Deferred tax	25	(269,342)	(138,650)
Other provisions	27	(14,040)	(11,160)
		<u>(283,382)</u>	<u>(149,810)</u>
Net assets		<u><u>1,100,948</u></u>	<u><u>1,181,374</u></u>
Capital and reserves			
Called up share capital	26	10,918	10,918
Share premium account	28	127,105	127,105
Capital redemption reserve	28	248,802	248,802
Profit and loss account	28	714,123	794,549
		<u>1,100,948</u>	<u>1,181,374</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

.....
D M Baker
Chair

Date:

ICMP MANAGEMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2022**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 June 2020	259,720	127,105	-	1,227,833	1,614,658
Comprehensive income for the year					
Loss for the year	-	-	-	(184,482)	(184,482)
Purchase of own shares	-	-	248,802	-	248,802
Shares redeemed during the year	(248,802)	-	-	-	(248,802)
Transfer to/from profit and loss account	-	-	-	(248,802)	(248,802)
At 1 June 2021	10,918	127,105	248,802	794,549	1,181,374
Comprehensive income for the year					
Loss for the year	-	-	-	(10,442)	(10,442)
Dividends: Equity capital	-	-	-	(69,984)	(69,984)
At 31 May 2022	10,918	127,105	248,802	714,123	1,100,948

ICMP MANAGEMENT LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2022**

	2022	2021
	£	£
Cash flows from operating activities		
Profit/(loss) for the financial year	(10,442)	(184,482)
Adjustments for:		
Amortisation of intangible assets	66,641	67,243
Depreciation of tangible assets	308,659	212,197
Loss on disposal of tangible assets	-	(1,550)
Interest paid	177,044	114,456
Interest received	-	(1,943)
Taxation charge	112,651	(24,431)
(Increase) in debtors	(72,526)	(112,153)
Decrease/(increase) in amounts owed by groups	143,954	(11,852)
Increase in creditors	2,382,496	461,250
Increase in provisions	2,880	11,160
Corporation tax received/(paid)	57,861	(120,519)
Net cash generated from operating activities	3,169,218	409,376
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,956,967)	(659,943)
Sale of tangible fixed assets	-	1,550
Sale of fixed asset investments	-	495
Interest received	-	1,943
HP interest paid	(75,323)	(53,418)
Net cash from investing activities	(2,032,290)	(709,373)
Cash flows from financing activities		
Purchase of ordinary shares	-	(248,802)
New secured loans	-	492,977
Repayment of loans	(424,588)	-
Repayment of/new finance leases	72,615	50,192
Dividends paid	(69,984)	-
Interest paid	(101,721)	(61,038)
Net cash used in financing activities	(523,678)	233,329
Net increase/(decrease) in cash and cash equivalents	613,250	(66,668)

ICMP MANAGEMENT LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2022

	2022 £	2021 £
Cash and cash equivalents at beginning of year	2,908,297	2,974,965
Cash and cash equivalents at the end of year	3,521,547	2,908,297
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,521,547	2,908,297
	<u>3,521,547</u>	<u>2,908,297</u>

ICMP MANAGEMENT LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MAY 2022**

	At 1 June 2021 £	Cash flows £	New finance leases £	At 31 May 2022 £
Cash at bank and in hand	2,908,297	626,700	-	3,534,997
Debt due after 1 year	(1,768,389)	432,118	-	(1,336,271)
Debt due within 1 year	(439,890)	7,772	-	(432,118)
Finance leases	(498,709)	215,916	(288,531)	(571,324)
	201,309	1,282,506	(288,531)	1,195,284

ICMP MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

1. General information

ICMP Management Limited is a private company limited by shares, incorporated in England and Wales. Its registered office is 1B Dyne Road, Kilburn, London, NW6 7XG.

The principal activity of the company continued to be the provision of educational services for adults (further and higher education).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements have also been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 and the associated Office for Students Accounts Direction 2019.41.

The following principal accounting policies have been applied:

2.2 Going concern

The activities of the Company, together with the factors likely to affect its future development and performance are set out in the Directors Report. The financial position of the Company, its cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying notes.

The Directors have a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. Therefore the financial statements have been prepared on the going concern basis.

2.3 Revenue

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

Tuition Fees and Education Contracts represent amounts receivable from students, parents, Local Education Authorities and Sponsors in respect of tuition fees for the year under consideration.

Recurrent grants from Funding Councils and other bodies are recognised in line with the latest estimates of the grant receivable for an academic year.

ICMP MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

The company has benefited from the government assisted Coronavirus Business Interruptions Loan Scheme in the year and the Business Interruption Payment has been treated to recognise the grant in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

ICMP MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date.

2.11 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life. The useful economic life of the goodwill is over a period 20 years.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis and also using the straight line method.

Depreciation is provided on the following basis:

S/Term Leasehold Property	- Over the term of the lease
Fixtures & fittings	- 15% Reducing balance
Office equipment	- 25% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

ICMP MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

2. Accounting policies (continued)

2.15 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.17 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.19 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

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

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

ICMP MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

3. Judgments in applying accounting policies and key sources of estimation uncertainty

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

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Sales - Full Time Courses	9,010,101	8,074,715
Sales - Non Accredited Learning	206,494	96,623
Other income	47,137	19,829
Grant income	538,899	718,648
	<u>9,802,631</u>	<u>8,909,815</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2022 £	2021 £
Government grants receivable	60,264	103,830
	<u>60,264</u>	<u>103,830</u>

Government grants receivable are in relation to staff wages reclaimed through the HMRC Job Retention Scheme and Business Interruption Payments under the government assisted Coronavirus Business Interruptions Loan Scheme, both of which were set up in response to the Coronavirus pandemic.

6. Grant and fee income

	2022 £	2021 £
Grant income from the OfS	538,899	718,648
	<u>538,899</u>	<u>718,648</u>

ICMP MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

7. **Operating profit/(loss)**

The operating profit/(loss) is stated after charging:

	2022	2021
	£	£
Admin - depreciation	375,300	279,441
Exchange differences	-	(1,550)
Other operating lease rentals	654,125	641,009
Defined contribution pension cost	65,513	51,017
	<u> </u>	<u> </u>

8. **Auditors' remuneration**

	2022	2021
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	25,955	25,800
	<u> </u>	<u> </u>
Fees payable to the Company's auditor and its associates in respect of:		
All other services	21,837	23,699
	<u> </u>	<u> </u>
	<u>21,837</u>	<u>23,699</u>

ICMP MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

9. Employees

Staff costs, including directors' remuneration, were as follows:

	2022	<i>2021</i>
	£	£
Wages and salaries	5,166,208	4,621,206
Social security costs	414,071	335,719
Cost of defined contribution scheme	65,513	51,017
	5,645,792	<i>5,007,942</i>
	5,645,792	<i>5,007,942</i>

The average monthly number of employees, including the directors, during the year was as follows:

	2022	<i>2021</i>
	No.	No.
Directors	5	5
Administration	91	80
Temp staff	38	18
Teaching staff	93	55
	227	<i>158</i>
	227	<i>158</i>

10. Directors' remuneration

	2022	<i>2021</i>
	£	£
Directors' emoluments	580,031	544,404
Company contributions to defined contribution pension schemes	3,963	2,739
	583,994	<i>547,143</i>
	583,994	<i>547,143</i>

During the year retirement benefits were accruing to 3 directors (*2021 -3*) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £167,078 (*2021 -£156,282*).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (*2021 -£NIL*).

ICMP MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

11. Senior staff pay

The total remuneration package for the head of provider is as follows:

	2022	2021
	£	£
Basic salary	152,453	144,449
Dividends	62,222	-
Benefits in Kind (Health insurance)	14,625	11,833
	229,300	156,282

The Head of Provider undergoes an annual performance review with the Chair, during which performance against set objectives is assessed. As a result of this, combined with any changes to the job role and responsibilities, the Chair makes a recommendation to the Remuneration and General Purposes Committee (RGPC), which is Chaired by ICMP's Senior Non-executive Director and of which the Chief Executive is not a member, with regard to the Chief Executive's remuneration package. The RGPC then considers this recommendation and makes a final decision on the remuneration package. The RGPC is confident that the Chief Executive provides appropriate value to ICMP and the total remuneration package is appropriate and reasonable when compared to remuneration provided for similar roles in other providers and in terms of its relation to the median pay of ICMP staff.

The head of the provider's basic salary is 4.8 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff. The Office for Students accounts directive have a threshold of 8.1 times.

The number of staff who received an annual basic salary greater than £100,000 in the following ranges was:

	2022	2021
	£	£
£100,000 - £104,999	1	1
£105,000 - £109,999	2	-
£140,000 - £144,999	-	1
£150,000 - £154,999	1	-
	4	2

ICMP MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

12. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	72,957	30,314
Other loan interest payable	29,333	30,000
Finance leases and hire purchase contracts	75,323	53,418
Other interest payable	(569)	724
	177,044	114,456

13. Access and Participation

	2022 £	2021 £
Access Investment	220,441	96,368
Financial Support	188,249	188,080
Disability Support	5,910	4,352
Research and Evaluation	-	20,500
	414,600	309,300

Included within Access Investment is £183,815 (2021: £67,014) in relation to wages and salaries.

The access and participation plan which has been approved by the Office for Students can be found at <https://www.icmp.ac.uk/sites/default/files/new/Governance/access-participation-plan-21-24.pdf>

ICMP MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

14. Taxation

	2022	2021
	£	£
Corporation tax		
Current tax on profits for the year	-	(39,820)
Adjustments in respect of previous periods	(18,041)	-
Deferred tax		
Origination and reversal of timing differences	130,692	15,389
Taxation on profit/(loss) on ordinary activities	112,651	(24,431)

The tax assessed for the year is lower than (2021 -lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022	2021
	£	£
Profit/(loss) on ordinary activities before tax	102,210	(208,913)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 -19%)	19,420	(39,693)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,934	(10,684)
Capital allowances for year in excess of depreciation	86,192	25,946
Adjustments to tax charge in respect of prior periods	(18,041)	-
Unrelieved tax losses carried forward	15,146	-
Total tax charge for the year	112,651	(24,431)

Factors that may affect future tax charges

The taxation rate is expected to remain at 19% until 1 April 2023 when it is expected to rise to 25% for profits over £250,000.

The company has tax losses of £79,716 to carry forward against future taxable profits.

ICMP MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

15. Dividends

	2022 £	2021 £
Ordinary dividends	69,984	-
	<u>69,984</u>	<u>-</u>
	<u><u>69,984</u></u>	<u><u>-</u></u>

16. Intangible assets

	Goodwill £
Cost	
At 1 June 2021	1,264,277
At 31 May 2022	<u>1,264,277</u>
Amortisation	
At 1 June 2021	1,168,426
Charge for the year on owned assets	66,641
At 31 May 2022	<u>1,235,067</u>
Net book value	
At 31 May 2022	<u><u>29,210</u></u>
At 31 May 2021	<u><u>95,852</u></u>

ICMP MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

17. Tangible fixed assets

	S/Term Leasehold Property £	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation				
At 1 June 2021	2,313,973	194,850	792,010	3,300,833
Additions	1,753,441	27,655	175,871	1,956,967
At 31 May 2022	<u>4,067,414</u>	<u>222,505</u>	<u>967,881</u>	<u>5,257,800</u>
Depreciation				
At 1 June 2021	706,154	94,456	545,337	1,345,947
Charge for the year on owned assets	186,055	17,197	105,407	308,659
At 31 May 2022	<u>892,209</u>	<u>111,653</u>	<u>650,744</u>	<u>1,654,606</u>
Net book value				
At 31 May 2022	<u>3,175,205</u>	<u>110,852</u>	<u>317,137</u>	<u>3,603,194</u>
At 31 May 2021	<u>1,607,819</u>	<u>100,394</u>	<u>246,673</u>	<u>1,954,886</u>

18. Fixed asset investments

	Investments in associates £
Cost or valuation	
At 1 June 2021	475
At 31 May 2022	<u>475</u>

ICMP MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

19. Debtors

	2022	2021
	£	£
Trade debtors	523,956	425,944
Amounts owed by group undertakings	-	143,954
Other debtors	13,535	76,340
Prepayments and accrued income	487,821	490,323
	<u>1,025,312</u>	<u>1,136,561</u>

20. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	3,521,547	2,908,297
	<u>3,521,547</u>	<u>2,908,297</u>

21. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank loans	432,118	424,588
Trade creditors	382,610	524,086
Taxation and social security	127,893	110,175
Obligations under finance lease and hire purchase contracts	236,345	171,200
Other creditors	325,321	481,807
Accruals and deferred income	1,690,857	957,133
	<u>3,195,144</u>	<u>2,668,989</u>

ICMP MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

22. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	1,336,271	1,768,389
Net obligations under finance leases and hire purchase contracts	334,979	327,509
Other creditors	300,000	-
Accruals and deferred income	1,629,014	-
	3,600,264	2,095,898

Total bank loans comprise £1,360,000 secured by a debenture dated 29 July 2003 which include fixed and floating charges over the property and assets of the company, and £408,389 which is secured by a personal guarantee provided by Mr A P Kirkham, a director and the controlling party (Note 32).

23. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	432,118	424,588
Amounts falling due 1-2 years		
Bank loans	440,010	432,118
Amounts falling due 2-5 years		
Bank loans	896,261	1,336,271
	1,768,389	2,192,977

24. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	286,810	216,604
Between 1-5 years	378,257	382,478
	665,067	599,082

ICMP MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

25. Deferred taxation

	2022 £
At beginning of year	(138,650)
Charged to profit or loss	(130,692)
At end of year	<u><u>(269,342)</u></u>

The provision for deferred taxation is made up as follows:

	2022 £	<i>2021</i> £
Accelerated capital allowances	(269,342)	(138,650)
	<u><u>(269,342)</u></u>	<u><u>(138,650)</u></u>

26. Share capital

	2022 £	<i>2021</i> £
Allotted, called up and fully paid		
10,918 (<i>2021 -10,918</i>) Ordinary shares of £1.00 each	<u><u>10,918</u></u>	<u><u>10,918</u></u>

27. Provisions

	Laptop lease £
At 1 June 2021	11,160
Charged to profit or loss	2,880
At 31 May 2022	<u><u>14,040</u></u>

As a result of the COVID-19 pandemic laptops were leased to enable students to continue studies, the provision is to cover the cost to the lease company for laptops not returned.

ICMP MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

28. Reserves

Share premium account

Share premium represents the excess of proceeds received over the nominal value of new shares issued.

Capital redemption reserve

Capital redemption reserve represents a non distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.

Profit & loss account

All reserves in respect of profit and loss are distributable reserves.

29. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £65,513 (2021: £51,017). Contributions totalling £16,976 (2021: £15,302) were payable to the fund at the balance sheet date and are included in creditors.

30. Commitments under operating leases

At 31 May 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Land and Buildings		
Not later than 1 year	560,305	547,805
Later than 1 year and not later than 5 years	3,386,979	3,188,264
Later than 5 years	6,374,265	7,133,285
	<u>10,321,549</u>	<u>10,869,354</u>
	2022 £	2021 £
Equipment		
Not later than 1 year	138,390	160,729
Later than 1 year and not later than 5 years	37,961	176,351
	<u>176,351</u>	<u>337,080</u>

ICMP MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

31. Related party transactions

At the balance sheet date £Nil (2021: £143,954) was owed from ICMP Online Limited, an associate company.

32. Controlling party

The ultimate controlling party is Mr A P Kirkham by virtue of his majority shareholding.