Company Registration No: 11210577 (England and Wales)

ACM GUILDFORD LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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ACM GUILDFORD LIMITED

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ACM GUILDFORD LIMITED

COMPANY INFORMATION

Director	K R G Clements R Connell A M Harlow
Company number	11210577
Registered office	Rodboro Buildings Bridge Street Guildford Surrey GU1 4SB
Auditor	Azets Audit Services Ashcombe Court Woolsack Way Godalming Surrey GU7 1QL

ACM GUILDFORD LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The directors present the strategic report for the year ended 31 August 2023.

Fair review of the business
ACM Guildford Limited (ACM) is an independent provider in the approved (fee cap) category for the Office for Students (OfS) Higher Education register. The institution specialises in creative industries education across Further and Higher Education levels.

For Higher Education ACM works in partnership with Middlesex University, who validate the undergraduate and postgraduate provision. Further Education diploma provision is delivered under sub-contractual arrangements with two colleges, East Surrey College and Walsall Studio School.

The Company has continued to provide access to Further and Higher Education for a wide range of students. Its new intellectual property has delivered innovation in its products to ensure they are delivering best-value, collaborative learning experiences that prepare students with the skills and knowledge necessary for success in the creative industries. Its new products promote project centred learning, linked to industry practice and support the widening participation objectives of the group. ACM has built on its own reputation of curriculum innovation by designing the world's first accelerated, integrated masters programme together with a unique interdisciplinary qualification in the Creative Industries.

ACM is very proud to have been awarded funding by the regulator to deliver a high impact project in supporting neurodiverse students through the establishment of a multi-provider, peer mentoring network. In this financial year, the project launched and received widespread praise from within the sector.

On 31 October 2022 Metropolis London Music Limited was transferred from a fellow group company ACM Commercial Limited to ACM Guildford Limited.

Financial review
The results for the year ended 31 August 2023 show an operating profit of £3,085,125 compared to £2,816,782 in the prior year. Turnover increased by 8.8% from £15,626,340 to £16,994,502.

The Group maintains a strong cash position, with the year-end balance being £3,988,160 (2022: £2,420,815).

Financial key performance indicators
ACM continues to monitor its KPIs relating to education delivery and the financial strength of the business. The following KPIs are reviewed each year to assess the performance of the company against prior years and to set targets for the future to ensure effective performance measurement.

Indicator	Year ended 31 August 2023	Year ended 31 August 2022
Revenue	16,994,502	15,626,340
Gross profit margin	57.3%	58.6%
Operating profit margin	18.2%	18.0%

Principal risks and uncertainties
Where annual revenue for a period is to the largest extent dictated by the efficacy of student recruitment in the preceding year, and where revenue generation opportunities in-year are comparatively small, the principal risk to the business is student recruitment. Mitigations available include investment in the product proposition to maintain its market relevance and allure and investment in marketing to maintain visibility of the product to the audience.
Other risks to revenue in-year include student retention, whereby mitigation includes close monitoring of student satisfaction and achievement, in anticipation of any issues in this area. ACM looks back on a year in which it continued to enjoy high student retention rates and continues to put importance on managing the experience of on-programme students in pursuit of protection this position.

During the year ACM continued to comply with the OfS conditions of registration. The company has a system of internal control and risk management. This is to ensure that the company promotes value for money, meets its financial and non-financial audit requirements and is producing accurate data and reporting.

To achieve the above and ensure that its strategy and its key performance indicators can be achieved, the company has identified and monitors the following key business risks

- Financial risks of loss of revenue, or failure to control costs;
- Liquidity risks regarding cash collection and managing both operational and financing cash flows;
- Regulation risk around the company's registration with the OfS;
- IT risk at both a strategic and investment level;
- Social risks of the responsibility to ensure the safety and security of both staff and students.

Financial risk management
Strong controls around procurement and staff costs help to ensure that the organisation stays within clear spending parameters and investment in the company's marketing strategy have addressed the revenue risks. Cash and debtors are monitored on a regular basis, and detailed monthly management information is produced, and performance reviewed in a timely manner.

Further details regarding governance and internal controls are provided in the Corporate Governance Statement.

Financial Instruments

Credit risk
Credit risk is the risk of financial loss to the company if a customer or counterparty fails to meet its contractual obligations. The company is exposed to credit risk with the Student Loans Company and with privately funded students. It holds additional risk with local government offices who fund support services. ACM has a team of support staff who continually monitor and manage its debtor position.

Liquidity risk
Liquidity risk arises from the company's management of working capital and debt instruments. It is the risk that the company will have difficulty in meeting its financial obligations as they fall due. The company continues to manage this risk by using forecasting tools and consistently monitoring debtors and its working capital position. The overall group which incorporates ACM Guildford Limited produces a 5-year forecast Income Statement, Statement of Financial Position and Cash Flow forecast which highlights any liquidity challenges so they can be managed.

Statement by the Directors relating to their statutory duties under section 172(1) of the Companies Act 2006
The Directors, in line with their duties under s172 of the Companies Act 2006, act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so to have regard, amongst other matters, to the:

1. The likely consequences of any decision in the long term and will exercise reasonable care, skill and diligence in any decision making;
2. The interest of the company's employees;
3. The need to foster the company's business relationships with suppliers, customers and others;
4. Impact of the company's operations on the community and the environment;
5. Desirability of the company maintaining a reputation for high standards of responsible business conduct;
6. Need to act fairly as between all stakeholders of the company.

This section describes how the Director applies and complies with these principles and aims to discharge their duties under company law.

Likely consequence of any decision in the long term
The Group places great importance on compliance and has a low appetite for risk, both of which are embedded in the Company's decision-making process. When making decisions, the director considers the business strategy, the corporate culture, and the governance framework. These decisions are supported through management information flows and straightforward access to relevant information.

The Company's business strategy is focused on achieving success for the Company in the long-term. In setting this strategy, the Director makes decisions whilst considering the impact of relevant factors and stakeholder interests on the Company's performance. The Board also identifies principal risks facing the business which may have an impact on decisions made.

Business relationships
The group is committed to a high standard of business conduct in its relationships with its stakeholders which includes students, employees, business partners and suppliers, regulators, and the community. One of the core company values is to maintain professional and academically strong standards; this we apply to all relationships.

The Director recognises that building strong and lasting relationships with our stakeholders will help the Company to deliver our strategy in line with our long-term values. The company has many open communication channels with students to ensure that they are provided with a positive learning experience as well as a supportive learning environment. A Student Services team is a visible presence on each campus.

We remain committed to being fair and transparent in our dealings with all of our suppliers. The Company has systems and processes in place to ensure suppliers are paid in a timely manner. The Chairman also encourages the engagement of small business within the local community.

Impact of the company's operations on the community and the environment
The company is working on its environmental policy and its level of sustainability. The company continues to report on its energy usage and carbon emissions and the results are the benchmark for reducing our carbon footprint in subsequent years.

We manage and dispose of our waste responsibly and look to achieve a year-on-year reduction in the amount of waste produced across our three campuses. We recycle wherever we are able to, and recycling facilities are available for paper, card, plastics and metal. We also recycle all electrical equipment wherever possible.

As part of our widening participation work, ACM engages local schools, particularly those with low participation in Higher Education and those with a lack of music provision. There is a school outreach team who works nationally with schools, offering a range of interventions and training, open day attendance and masterclasses.

ACM also collaborates with local arts organisations and charities to deliver and support meaningful work of social value to combat isolation, exclusion and to encourage community cohesion. We provide students with opportunities to engage with professional arts organisations in the region on projects with the community.

The desirability of the Company maintaining a reputation for high standards of business conduct
The Director is supported in the discharge of his duties by:

- Keeping up to date on his duties and obligations under applicable law and regulation.
- Ensuring the provision of timely management information and escalation through reporting lines from the Company's business areas, its risk and control functions, support teams and committees.
- Board and Committee meetings to provide sufficient time for the consideration and discussion of key matters.

The need to act fairly between members of the company
The Director encourages a culture that upholds the strictest regulations and corporate conduct standards. He makes sure that the company's policies, procedures, employee training and induction programs, and framework for risk control and monitoring all incorporate these fundamental values and that the staff is aware of them.

Business review and outlook
ACM keeps its attention on the needs of its current students while also developing fresh curricula, expanding the range of subjects taught there, and expanding its postgraduate program options. Due to the pandemic, ACM was forced to shift its offerings online, leading to the development of innovative digital delivery strategies that increased the adaptability and accessibility of ACM's course offerings. These innovations have already become commonplace, offering ACM far greater flexibility in catering to the demands of students.

The ongoing effects of COVID-19 and the growing weight of the cost of living crisis continued to hinder recruiting for the 22–23 academic year. The hiring process revealed some ambiguity among the candidates. According to current projections, the number of applicants will gradually increase from this position to levels that were similar to before the pandemic.

After concentrating solely on teaching for 26 years, ACM is now broadening its sources of income to take advantage of the opportunities that come with being a licensed higher education provider on an even playing field with traditional universities. ACM successfully applied for project funding from the regulator during the fiscal year 2021–2022, and other options to expand funding in this area are continuously being looked at. Due to the project funding's success, ACM will be able to grow into other campuses and create new degree and short course options that complement the Life Long Learning approach.

ACM can take advantage of its position at the nexus of digital and creative abilities with the release of the Department of Culture, Media, and Sports digital strategy. The regulator money for capital investment and student experience related funds will be continued, and applications for research and development funding through the research councils will be pursued.

On behalf of the board



K R G Clements
Director

31 January 2024

ACM GUILDFORD LIMITED

DIRECTORS REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The following statement is provided to outline the governance and legal structure of ACM Guildford Ltd and how related companies fit within this structure. It covers the period 1 September 2022 to 31 August 2023 and up to the date of approval of the audited financial statements.

Legal status of ACM Guildford Limited
ACM Guildford Limited is a private limited company, limited by shares. The immediate parent undertaking is ACM Education Limited by virtue of its 100% holding in the share capital of ACM Guildford Limited. The company's ultimate parent undertaking is Industrication Inc Limited, a company registered in England and Wales.

With regards all operational and educational control, the board of directors (governing body) of ACM Guildford Ltd have devolved this authority to two Executive Committees (detailed below). Industrication Inc Ltd has no involvement in the day-to-day management or running of ACM Guildford Limited. The ultimate parent company cannot unilaterally change management and governance arrangements of ACM Guildford Limited and holds no decision-making powers. All operation control in relation to education is devolved to the Executive. Any changes to this mandate would require agreement from the ACM Guildford Limited directors.

ACM's corporate governance arrangements

How ACM is governed
ACM is a Higher and Further Education provider principally regulated by the Office for Students. In the year ended 31 August 2023, ACM operated out of three campus locations (Guildford, Birmingham and London).

The institutional governance was last reviewed in 2018 ahead of ACM's application to be placed in the Approved (Fee Cap) category of the OfS register. The institutional governance document was submitted to OfS as part of the application process which concluded that ACM's governance structure had satisfied the initial condition of registration. This process also approved the Executive Chairman as the Accountable Officer.

ACM works closely with its validating partner for Higher Education in the implementation of academic governance and regulations. ACM has adopted the academic regulations of its validating partner. ACM is indirectly regulated by Ofsted in respect of its Further Education provision by way of its inclusion in the Ofsted regulation and visits of its Further Education partners who are direct recipients of ESFA funding.

A full review of the governance structures is currently being undertaken in preparation for an application for Taught Degree Awarding Powers.

ACM's corporate governance framework
The Company shareholders have put in place a Governing Body ("The Board") comprised of Executive Directors and Non-Executive Directors, and these people have voting rights at Board level. They use the following three reference points to sense check operational and strategic progress of the company:

1. The Mission and Vision
2. The Institutional Governance Document and related policies
3. The Financial Plan and budgets.

The core purpose of the Governing Body is to look after the interests of the shareholder, employees, and students. The members will:

- Approve ACM's strategy and help develop proposals on strategy;
- Scrutinise the performance of ACM and management in meeting agreed goals and objectives, and monitor the reporting and regulatory performance of ACM;
- Satisfy themselves that on the integrity of financial information and that financial information and financial controls and systems of risk management are robust and defensible;
- Ensure that ACM complies with its legal obligations as a company to implement financial and management policies consistent with the Companies Act and the applicable financial standards, and codes of governance;
- Approve the annual budget of ACM;
- Ensure that the organisation and the structures are appropriate;

- Conform to statutory duties and regulations covering, amongst other things, statutory accounts, taxation, health and safety, employment, and the environment.

The ACM Governing Body reviews all aspects of the management and governance arrangements on an annual basis. The governing body membership includes non-executive directors to bring aspects of independence, impartiality, wide experience, and specialist knowledge to reviews of effectiveness. The role of the NEDs is detailed in the Institutional Governance document. The Chair of the Governing Body is appointed as a Company Director of ACM Guildford Ltd but is not involved in operational activity below that of the Governing Body.

The Governing Body oversees the activities of the executive body, which has delegated operational responsibilities for the following areas:

- Driving the strategic plan. This includes detailed scrutiny of budgets, statutory accounts, regulatory returns, estates and facilities, business opportunities and forward-looking strategy.
- Implementation of effective academic governance. This includes oversight of academic standards, adherence to validating partner regulations, oversight of appeals and complaints, responsibility for reporting to validating partners, responsibility for maintaining quality assurance mechanisms in-line with ACM's quality assurance handbook.

The governance structures are founded on the following principles:

- Transparency and accountability;
- Clear responsibilities and delegations;
- Academic freedom and open intellectual inquiry;
- Diversity and equality;
- Inclusivity and accessibility to further and higher education;
- The protection of student interests through open and robust governance.

ACM is committed to maintaining effective governance structures that assure academic standards in learning and teaching, ensuring that all students have fair and equal access to a range of learning opportunities and experiences that develop their personal, professional and academic skills and abilities.

The principal academic and administrative officer of ACM is the Executive Chairman who has a general responsibility for maintaining and promoting the efficiency and good order of the Higher Education Provider. Under the terms of the OfS Regulation Framework for Higher Education in England, the Executive Chairman is the Accountable Officer for ACM.

No ongoing conditions of registration were imposed on ACM.

Statement on the primary responsibilities of the governing body
The appointment and powers of the governing body, as detailed below, are set out in the institutional governance document.

- Responsibility for mission, character, and reputation of the institution at a strategic level, and being assured that appropriate steps are being taken to deliver them and that there are effective systems of control and risk management.
- Approval and/or endorsement of the strategic plan.
- Responsibility for ensuring appropriate financial strategy and responsible, without delegation, for the approval of the annual budget.
- To rigorously assess all aspects of the institution's sustainability, in the broadest sense, including relevant key performance indicators (financial, academic, environmental, organisation etc.).
- To provide assurances to external stakeholders, including regulatory and funding bodies, and being in a position to provide explanations on the processes and evidence used.
- Where external assessment identifies serious issues, which could affect future sustainability, to undertake appropriate remedial action.
- To ensure external regulatory body requirements relating to financial, quality and data audit are met through appointment of sub-committee or well-informed authoritative body which has the expertise and time to examine risk management control and governance.

- To ensure data submitted to external regulatory bodies comply with published directions prior to Accountable Officer sign-off.
- To consider and determine appointment, termination, and remuneration of executive team, and other senior staff as prescribed by the Governing Body.
- To manage delegation of day-to-day operational matters to an executive body.
- To receive assurances that academic governance is effective by working with Education Executive in order to maintain quality.
- To ensure that governance structures and processes are fit for purpose by referencing them against recognised standards of good practice.
- To undertake a regular, full and robust review of the effectiveness of governance arrangements.
- To promote equality and diversity throughout the institution, including in relation to its own operation.

Preparation of financial statements

The financial statements have been prepared in accordance with Companies Law as detailed in the Directors' Report. In addition, the governing body through its Accountable Officer has taken reasonable steps to:

- ensure that funds from the OfS are used only for the purposes for which they have been given and in accordance with the Regulatory Framework for Higher Education in England and any other conditions which it may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of ACM and prevent and detect fraud and other irregularities;
- secure the economical, efficient and effective management of ACM's resources and expenditure;
- ensure that material risks are identified, carefully considered and managed and that appropriate risk management procedures and processes are in place.

Statement on internal control

The governing body of ACM has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding public and other funds for which ACM is responsible in accordance with the responsibilities assigned to the governing body in the OfS's Regulatory Framework for Higher Education in England. The system is designed to identify and manage risk, seeking to escalate to the OfS any failure which has resulted in an event considered to be reportable.

Internal controls are embedded in ACM's daily processes and procedures. Business, operational, compliance and financial risks are identified and managed on an ongoing basis and procedures and policies updated as necessary, depending on an evaluation of the likelihood of the risk and its potential impact.

Internal financial controls are based on a framework of regular management information and defined administrative procedures including the segregation of duties and a system of delegation and accountability. The following processes are in place to regularly review the company's system of internal control:

- A comprehensive budgeting system with an annual budget and monthly reforecasts
- Monthly reporting to senior management with variances to the annual budget

The governing body's review of the effectiveness of the system of internal control is informed by the work of the executive managers within the provider who form the two executive bodies listed in the corporate governance section of this document.

The executive bodies are responsible for:

- the maintenance of the internal control framework,
- any conditions or enhanced monitoring requirements set out by the OfS
- comments made by the external auditors in their management letter and other reports.

There were no significant internal control weaknesses or failures during the year ended 31 August 2023 and up to the date of approval of the audited financial statements.

The directors present their annual report and financial statements for the year ended 31 August 2023.

Principal activities

The principal activity of the company during the year was developing and supplying creative industries education.

Employment of disabled persons
The company gives full consideration to applications for employment from disabled persons where the requirements of the jobs can be adequately fulfilled by a disabled person. Where an existing employee becomes disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees where appropriate.

Employee involvement
During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views directly to the Executive Chairman and executive teams. Regular meetings are held between management and employees to allow a free flow of information and ideas.

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

- K R G Clements
- R Connell
- A M Harlow

Results and dividends
The results for the year are set out on page 14. No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Statement of directors' responsibilities
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The financial statements have also been prepared in accordance with the requirements of the Office for Students Accounts Direction (OfS 2019.41).

ACM GUILDFORD LIMITED

DIRECTORS REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Statement of disclosure to auditor

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

On behalf of the board



K R G Clements

Director

31 January 2024

ACM GUILDFORD LIMITED

INDEPENDENT AUDITORS REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

Opinion
We have audited the financial statements of ACM Guildford Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 August 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent 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 auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

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

Opinion on other matters required by the Office for Students ("OfS") and Research England
In our opinion, in all material respects:

- Funds from whatever source administered by the company for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- Funds provided by the OfS have been applied in accordance with the relevant terms and conditions;
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

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

- The company's grant and fee income, as disclosed in the note to the accounts, has been materially misstated;
- The company's expenditure on access and participation activities for the financial year has been materially misstated.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

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

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

Responsibilities of directors
As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing the group's and the parent 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

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

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

auditor's report. In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the Further Education and Higher Education provider have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Terms and Conditions of Funding from OfS.

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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the group and parent company, their activities, their control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Azets Audit Services

Sam Thomas (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

1 February 2024

Chartered Accounts
Statutory Auditor

Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

ACM GUILDFORD LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2022 £
Turnover	**4**	16,994,502	15,626,340
Cost of sales		(7,261,873)	(6,474,409)
Gross profit		9,732,629	9,151,931
Administrative expenses		(6,833,555)	(6,340,274)
Other operating income		186,051	5,125
Operating profit	**5**	3,085,125	2,816,782
Interest receivable and similar income	**8**	-	-
Interest payable and similar expenses	**9**	(6,061)	(2,257)
Profit before taxation		3,079,064	2,814,525
Tax on profit	**11**	38,116	(228,609)
Profit for the financial year		3,117,180	2,585,916
Total comprehensive income for the year		3,117,180	2,585,916

Total comprehensive income for the year is all attributable to the owners of the parent company.

ACM GUILDFORD LIMITED

GROUP BALANCE SHEET
AS AT 31 AUGUST 2023

	Notes	2023 £	2022 £
Fixed assets			
Goodwill	12	1,145,930	1,215,032
Other intangible assets	12	1,278,480	999,727
Total intangible assets		2,424,410	2,214,759
Tangible assets	13	13,241,109	11,927,396
		15,665,519	14,142,155
Current assets			
Debtors	16	3,582,059	3,566,178
Cash at bank and in hand		3,988,160	2,420,815
		7,570,219	5,986,993
Creditors: amounts falling due within one year	17	(8,127,247)	(8,129,182)
Net current liabilities		(557,028)	(2,142,189)
Total assets less current liabilities		15,108,491	11,999,966
Creditors: amounts falling due after more than one year	18	(37,393)	-
Provisions for liabilities	19	(2,465,282)	(2,511,330)
Net assets		12,605,816	9,488,636
Capital and reserves			
Called up share capital	22	1	1
Capital redemption reserve		-	-
Other reserves	23	168,485	168,485
Profit and loss reserves		12,437,330	9,320,150
Total shareholders' equity		12,605,816	9,488,636

The financial statements were approved by the board of directors and authorised for issue on 31 January 2024 and are signed on its behalf by:



Mr K R G Clements
Director

ACM GUILDFORD LIMITED

COMPANY BALANCE SHEET
AS AT 31 AUGUST 2023

	Notes	2023 £	2022 £
Fixed assets			
Intangible assets	12	1,278,480	999,727
Tangible assets	13	1,351,304	176,432
Investments	14	11,184,405	-
		13,814,189	1,176,159
Current assets			
Debtors	16	2,449,742	8,463,304
Cash at bank and in hand		3,826,566	2,279,320
		6,276,308	10,742,624
Creditors: amounts falling due within one year	17	(6,788,692)	(1,631,813)
Net current liabilities		(512,384)	9,110,811
Total assets less current liabilities		13,301,805	10,286,970
Creditors: amounts falling due after more than one year	18	(37,393)	-
Provisions for liabilities	19	20,051	(40,674)
Net assets		13,284,463	10,246,296
Capital and reserves			
Called up share capital	22	1	1
Other reserves	23	168,485	168,485
Profit and loss reserves		13,115,977	10,077,810
		13,284,463	10,246,296

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £3,038,167 (2022 – £2,646,815 profit).

The financial statements were approved by the board of directors and authorised for issue on 31 January 2024 and are signed on its behalf by:



Mr K R G Clements
Director

Company Registration No. 11210577

ACM GUILDFORD LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2023

	Share capital	Capital redemption reserve	Other reserves	Profit and loss reserves	Total shareholders' equity
	£	£	£	£	
Balance at 1 September 2021	1	-	168,485	6,734,234	**6,902,720**
Year ended 31 August 2022: Profit and total comprehensive income for the year	-	-	-	2,585,916	**2,585,916**
Balance at 31 August 2022	1	-	168,485	9,320,150	**9,488,636**
Year ended 31 August 2023: Profit and total comprehensive income for the year	-	-	-	3,117,180	**3,117,180**
Balance at 31 August 2023	1	-	168,485	12,437,330	**12,605,816**

ACM GUILDFORD LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2023

	Share capital	Capital redemption reserve	Other reserves	Profit and loss reserves	Total shareholders' equity
	£	£	£	£	
Balance at 1 September 2021	1	-	168,485	7,430,995	**7,599,481**
Year ended 31 August 2022: Profit and total comprehensive income for the year	-	-	-	2,646,815	**2,646,815**
Balance at 31 August 2022	1	-	168,485	10,077,810	**10,246,296**
Year ended 31 August 2023: Profit and total comprehensive income for the year	-	-	-	3,038,167	**3,038,167**
Balance at 31 August 2023	1	-	168,485	13,115,977	**13,284,463**

ACM GUILDFORD LIMITED

GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	26	4,127,964	(1,702,423)
Interest paid		(6,061)	(2,257)
Income taxes paid		(203,936)	(249,995)
Net cash inflow from operating activities		3,917,967	(1,954,675)
Investing activities			
Purchase of intangible assets		(724,549)	(628,318)
Purchase of tangible fixed assets		(1,608,822)	(671,502)
Net cash used in investing activities		(2,333,371)	(1,299,820)
Financing activities			
New finance leases in the period		-	-
Payment of finance leases obligations		(17,251)	-
Net cash (used by) / generated from financing activities		(17,251)	-
Net (decrease) / increase in cash and cash equivalents		1,567,345	(3,254,495)
Cash and cash equivalents at beginning of year		2,420,815	5,675,310
Cash and cash equivalents at end of year		3,988,160	2,420,815

ACM GUILDFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Company information
ACM Guildford Limited is a private company limited by shares incorporated in England and Wales. The registered office is Rodboro Buildings, Bridge Street, Guildford, Surrey, GU1 4SB. The company's registered number can be found under the company information presented on page 1.

1.1 Statement of compliance

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of ACM Guildford Ltd and its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiary undertakings arising due to a group reconstruction where the ultimate equity holders remain the same with the same rights in respect of each other and no non-controlling interest (minority interest) is altered by the transfer are consolidated using merger accounting.

The subsidiary is treated as if they had always been a member of the group. The results of such a subsidiary are included for the whole period in the year it became a subsidiary. The corresponding figures for the previous year includes its results for that period. Where the subsidiary had previously been acquired by the wider group, the pre acquisition reserves will be eliminated on consolidation and the goodwill arising when the subsidiary was originally acquired by the wider group amortised to the relevant date will be reflected on the consolidated balance sheet.

All financial statements are made up to 31 August 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group, Industrication Inc. Limited Group ('the Group').

1.4 Exemptions for qualifying entities under FRS102

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of

determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Industrication Inc. Limited. These consolidated financial statements are available from its registered office, Rodboro Buildings, Bridge Street, Guildford, Surrey, GU1 4SB.

1.5 Going concern

The director reasonably anticipates that the business will have enough resources to operate for the foreseeable future. This anticipation is predicated on projections made by the Group, which include student enrolment through the 2027–2028 fiscal year. A letter confirming the existing financiers' (ThinCats') continuous support has been supplied and talks to negotiate a new loan are still ongoing. Thus, in generating the financial accounts, the director continues to use the going concern foundation of accounting.

1.6 Recognition of income

Income is recognised at the fair value of the consideration received or receivable for educational services provided in the normal course of business and is shown net of VAT and other sales related taxes.

Course fees are invoiced one year at a time on enrolment and income recognised as the course progresses over the academic year. Where the amount of the tuition fee is reduced by a discount, income is shown net of the discount. Internally funded bursary and scholarship payments are accounted for gross as expenditure and not deducted from income.

Income from room rental and services is recognized on an accruals basis, in the period to which it relates.

Income from license fees and royalties paid for the use of the entity's assets is recognized on a straight- line basis over the life of the agreement.

Grant funding
Grants are recognised in income when the company is entitled to the income and any performance related conditions have been met.

Capital grants
Capital grants are initially recorded in creditors and release to the statement of comprehensive income and expenditure over the expected useful lives of the related assets.

1.7 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.8 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 3 years.

1.9 Intangible fixed assets - development costs

Intangible assets are measured at cost less accumulated amortisation, less accumulated impairment losses.

Expenditure incurred on the development of internally generated products is capitalised if it can be demonstrated that:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

All other development expenditure is written off as incurred.

Amortisation is charged to administrative expenses to write off the cost of the intangible assets over their estimated useful lives on a straight line basis. The intangible assets are written off over the following useful economic lives:

Development costs	3 and 6 years straight line

If there are indicators of a significant movement in the useful life of the asset, amortisation is revised prospectively to reflect this.

Amortisation will not commence until the asset is in use. The asset continues to be at the stage of development at the end of the financial period, therefore, amortisation was not provided during the year.

1.10 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. The assets' residual values, useful life and depreciation methods are reviewed and adjusted prospectively if required.

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

Plant and equipment	25% on reducing balance
Fixtures and fittings	25% on reducing balance
Course equipment	3 years straight line

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

Property, plant and equipment whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the leasehold property is usually considered to be their market value while the fair value of recording and ancillary equipment is considered to be their depreciated net replacement cost.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity, such gains and losses are recognised in profit or loss.

1.11 Impairment of fixed assets

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

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

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

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

1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks.

1.13 Basic financial assets

Trade and other debtors
Trade and other debtors are measured at transaction price less any impairment unless the arrangement constitutes a financing transaction in which case the transaction is measured at the present value of the future receipts discounted at the prevailing market rate of interest. Loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not

exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1.14 Taxation

The tax expense comprises current and deferred tax recognised in the reporting period.

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

Deferred tax

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense in the period in which they are incurred.

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

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

1.16 Retirement benefits

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

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest

elements. The interest is charged to the profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

2 Judgements and key sources of estimation uncertainty

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

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

The key judgements and sources of estimate uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Bad debt provision:
The bad debt provision is based upon the aged debt profile of student debts. Provision is made for a proportion of the debts outstanding based on the company's expectation of their recoverability.

Capitalisation of development expenditure:
Salaries are capitalised based on management's estimate of time spent by key individuals on developing new courses.

Tangible fixed assets revaluation

The company appointed Lambert Smith Hampton, a property consultant, to carry out a professional valuation of the company's plant and equipment at 31 August 2019, comprising of the recording and ancillary equipment. The valuation was prepared in accordance with the Royal Institution of Chartered Surveyors Valuation standards and on the basis of net depreciated current replacement cost of the equipment. The leasehold land and buildings were revalued by the director on the basis of personal experience and knowledge supported by an appraisal from Lambert Smith Hampton. In the judgement of the director, this revaluation is still deemed to be appropriate as at 31 August 2023.

Depreciation of the Tangible Fixed Asset revaluation
The directors have elected not to depreciate the revalued tangible fixed assets referred to above on the basis the associated residual value is equivalent to the revalued amount given the specialist nature of the assets involved.

3 Merger Accounting

ACM Guildford Limited became a parent on 31 October 2022 as part of a group reconstruction. Metropolis London Music Limited became its subsidiary as a result of a transfer of the company from fellow group company ACM Commercial Limited. As such, merger accounting has been applied under Financial Reporting Standard 102 section 19 'Business Combinations and Goodwill'.

The consolidated results for the 12 month period to 31 August 2023 include the results for Metropolis London Music Limited and ACM Guildford Limited for the full 12 month period to 31 August 2023. The consolidated balance sheet at 31 August 2023 includes the goodwill which arose on the original acquisition of Metropolis London Music Limited to the Industrication Inc Limited group, along with subsequent

amortisation. The pre acquisition reserves of Metropolis London Music Limited prior to being acquired by Industrication Inc Limited have been eliminated.

The comparatives reflect the results of Metropolis London Music Limited and ACM Guildford Limited for the 12 month period to 31 August 2022. The consolidated balance sheet at 31 August 2022 includes the goodwill which arose on the original acquisition of Metropolis London Music Limited to the Industrication Inc Limited group, along with the subsequent amortisation. The pre acquisition reserves of Metropolis London Music Limited prior to being acquired by Industrication Inc Limited have been eliminated.

4 Turnover

	2023 £	2022 £
Grant and fee income		
Office for Students teaching grants	724,357	971,963
Office for Students other grants	1,212,148	80,081
Deferred capital grants from the Office for Students released in year	58,363	42,586
Fee income from taught awards (exclusive of VAT)	9,439,919	9,027,731
Fee income from non-qualifying courses (exclusive of VAT)	1,337,010	1,566,074
Total grant and fee income	**12,771,797**	**11,688,435**
Other services income	3,852,705	3,353,797
Royalty income	51,003	55,763
Other income	318,997	528,345
Total income	**16,994,502**	**15,626,340**

	2023 £	2022 £
Turnover analysed by geographical market		
UK	16,994,502	15,626,340

5 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	355,473	158,025
Depreciation of tangible fixed assets held under finance leases	19,721	-
Amortisation of intangible assets	514,898	531,077
Operating lease charges	-	-

6 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	27,780	19,800
Audit of the financial statements of the company's subsidiaries	13,440	10,400
	41,220	30,200
For other services		
Taxation compliance services	6,526	6,644
Payroll services	10,930	10,860
	17,456	17,504

7 Employees

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

	Group 2023 Number	Group 2022 Number	Company 2023 Number	Company 2022 Number
Director	1	1	1	1
Tutors	145	147	145	147
Sales and marketing	24	44	24	44
Administration	161	116	121	83
	331	308	291	275

Their aggregate remuneration comprised:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	7,579,118	6,719,919	6,349,760	5,640,939
Social security costs	848,466	770,762	667,131	600,153
Redundancy costs	2,497	24,346	2,497	6,346
Pension costs	179,647	130,205	152,898	104,137
Compensation for loss of office	-	-	-	-
	8,609,728	7,645,232	7,172,286	6,351,575

There was no other compensation for loss of office in the year 2023.:

The number of staff whose total remuneration exceeded £100,000 was:

	2023 £	2022 £
£100,000 - £104,999	1	-
£105,000 - £109,999	-	1
£120,000 - £124,999	-	1
£135,000 - £139,999	1	1
£145,000 - £149,999	1	1
£150,000 - £154,999	-	1
£160,000 - £164,999	1	-
	4	5

The Head of Provider's remuneration was:

	2023 £	2022 £
Basic salary	75,000	75,000
Pension contributions	1,321	1,321
	76,321	76,321

The Head of Provider's basic salary is 3.5 times (2022: 2.6 times) the median pay of staff, where the median pay is calculated on a full-time equivalent bases for the salaries paid by the provider to its staff.

The Head of Provider's total remuneration is 2.8 times (2022: 2.6 times) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the provider to its staff.

The Head of Provider's and the Director's remuneration is the same.

Justification for Head of Provider Remuneration
In agreeing the salary of £75,000, the audit and remuneration committee took reference from published data from HESA on Head of Provider Remuneration, as well as the institution's own salary banding for wider staff, for benchmarking purposes.

The key management personnel are those persons working with the Head of Provider with regards to planning, directing and controlling the activities of the company. The remuneration of key management personnel is as follows:

	2023 £	2022 £
Aggregate compensation	795,637	627,750

8 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Other interest income	-	-

9 Interest payable and similar expenses

	2023 £	2022 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	-
Interest on other borrowings	-	-
	-	-
Other finance costs:		
Interest on finance leases and hire purchase contracts	6,061	2,257
Other interest	-	-
Total finance costs	6,061	2,257

10 Access and participation

	2023 £	2022 £
Access investment	511,490	507,116
Financial support investment	155,350	125,025
Disability support	62,600	82,200
Research and evaluation investment	30,000	29,651
	759,440	743,992

ACM Guildford has published an Access and Participation Plan (APP) with the Office for Students that defines our commitment to widening participation and lists our progress objectives in supporting key under-represented groups in higher education.

Our current plan can be found by clicking on this link: https://www.acm.ac.uk/ofs-registration/

The figures above show expenditure only and do not reflect any grants received. £352,710 (2022: £368,404) of these costs are included within staff costs, see note 6.

11 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	-	248,165
Adjustments in respect of prior periods	22,609	(30,152)
Total current tax	22,609	218,013
Deferred tax		
Origination and reversal of timing differences	(60,725)	10,596
Total tax charge	(38,116)	228,609

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

	2023 £	2022 £
Profit before taxation	3,079,064	2,814,525
Expected tax charge based on the standard rate of corporation tax in the UK of 25% (2022: 19%)	788,303	546,331
Tax effect of expenses that are not deductible in determining taxable profit	132	527
Permanent capital allowances in excess of depreciation	(158,763)	11,953
Under/(over) provided in prior years	22,609	44,992
Provisions tax adjustment	53,074	(30,152)
Deferred tax	(60,725)	10,596
Other	-	-
Group relief	(682,746)	(355,638)
	(38,116)	228,609

12 Intangible fixed assets

Group	Goodwill	Development costs	Total
	£	£	£
Cost			
At 1 September 2022	1,653,728	1,742,545	3,396,273
Additions	-	724,549	724,549
At 31 August 2023	1,653,728	2,467,094	4,120,822
Amortisation and impairment			
At 1 September 2022	438,696	742,818	1,181,514
Amortisation charged for the year	69,102	445,796	514,898
At 31 August 2023	507,798	1,188,614	1,696,412
Carrying amount			
At 31 August 2023	1,145,930	1,278,480	2,424,410
At 31 August 2022	1,215,032	999,727	2,214,759

Company	Goodwill	Development costs	Total
	£	£	£
Cost			
At 1 September 2022	271,701	1,742,545	2,014,246
Additions	-	724,549	724,549
At 31 August 2023	271,701	2,467,094	2,738,795
Amortisation and impairment			
At 1 September 2022	271,701	742,818	1,014,519
Amortisation charged for the year	-	445,796	445,796
At 31 August 2023	271,701	1,188,614	1,460,315
Carrying amount			
At 31 August 2023	-	1,278,480	1,278,480
At 31 August 2022	-	999,727	999,727

Development costs generated internally relate to the creation of a virtual learning environment, preparation for gaining taught degree awarding powers and investment in new courses.

13 Tangible fixed assets

Group	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computer equipment	Course equipment	Total
	£	£	£	£	£	£
Cost						
At 1 September 2022	7,430,468	5,494,838	124,832	276,554	176,259	13,502,951
Additions	580,894	902,319	103,997	8,941	92,756	1,688,907
Disposals	-	-	-	-	-	-
At 31 August 2023	8,011,362	6,397,157	228,829	285,495	269,015	15,191,858
Depreciation and impairment						
At 1 September 2022	102,304	1,176,424	45,024	160,342	91,461	1,575,555
Depreciation charged in the year	14,737	228,061	39,819	10,244	82,333	375,194
Disposals	-	-	-	-	-	-
At 31 August 2023	117,041	1,404,485	84,843	170,586	173,794	1,950,749
Carrying amount						
At 31 August 2023	**7,894,321**	**4,992,672**	**143,986**	**114,909**	**95,221**	**13,241,109**
At 31 August 2022	**7,328,164**	**4,318,414**	**79,808**	**116,212**	**84,798**	**11,927,396**

Company	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computer equipment	Course equipment	Total
	£	£	£	£	£	£
Cost						
At 1 September 2022	-	126,294	16,574	-	176,259	319,127
Additions	436,120	835,248	87,820	-	92,756	1,451,944
Disposals	-	-	-	-	-	-
At 31 August 2023	436,120	961,542	104,394	-	269,015	1,771,071
Depreciation and impairment						
At 1 September 2022	-	48,398	2,836	-	91,461	142,695
Depreciation charged in the year	-	167,181	27,558	-	82,333	277,072
Disposals	-	-	-	-	-	-
At 31 August 2023	-	215,579	30,394	-	173,794	419,767
Carrying amount						
At 31 August 2023	**436,120**	**745,963**	**74,000**	**-**	**95,221**	**1,351,304**
At 31 August 2022	**-**	**77,896**	**13,738**	**-**	**84,798**	**176,432**

14 Fixed assets investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	14	-	-	11,184,405	-

Movements in fixed asset investment
Company

	Shares in group undertakings £
Cost	
At 1 September 2022	-
Additions	11,184,405
Carrying amount	
At 31 August 2023	11,184,405
At 31 August 2022	-

15 Subsidiaries

Details of the company's subsidiaries at 31 August 2023 are as follows:

Name of undertaking	Registered office note	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Metropolis London Music Ltd	Rodboro Buildings, Bridge Street, Guildford, Surrey, GU1 4SB	Sound recording and music publishing activities	Ordinary	100	0

On 31 October 2022, the subsidiary Metropolis London Music Limited was transferred from a fellow group company to ACM Guildford.

16 Debtors

	Group 2023 £	2022 £	Company 2023 £	2022 £
Amounts falling due within one year:				
Trade debtors	917,646	1,122,701	445,835	479,469
Corporation tax recoverable	68,459	8,459	60,000	-
Amounts owed by group undertakings	1,969,861	1,442,416	1,688,673	7,215,989
Other debtors	447,495	694,782	76,637	470,026
Prepayments and accrued income	178,598	297,820	178,597	297,820
	3,582,059	3,566,178	2,449,742	8,463,304

17 Creditors	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Amounts falling due within one year:				
Obligations under finance leases	25,441	-	25,441	-
Trade creditors	529,552	898,663	258,634	627,735
Amounts owed to group undertakings	2,793,678	5,349,941	2,536,025	-
Corporation tax payable	-	121,327	-	121,327
Other taxation and social security	224,928	216,325	139,102	134,395
Other creditors	1,068,169	970,528	344,028	175,974
Accruals and deferred income	3,485,479	572,398	3,485,462	572,382
	8,127,247	8,129,182	6,788,692	1,631,813

18 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Obligations under finance leases		37,393	-	37,393	-
		37,393	-	37,393	-

19 Provisions for liabilities

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Deferred tax provision	1,959,503	2,020,228	(20,051)	40,674
Roof provision	505,779	491,102	-	-
	2,465,282	2,511,330	(20,051)	40,674

20 Deferred Taxation

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

Group	Liabilities 2023 £	Liabilities 2022 £
Accelerated capital allowances	-	40,674
Revaluation of assets	2,529,758	2,529,758
Deferred tax asset on trading losses	(570,255)	(550,204)
	1,959,503	2,020,228

Movements in the year:	Group 2023 £	Group 2022 £
Liability at 1 September 2022	2,020,228	2,009,632
Credit to profit or loss	(60,725)	10,596
Liability at 31 August 2023	1,959,503	2,020,228

The deferred tax liability and deferred tax asset set out above may not reverse within 12 months and relates mainly to the revaluation of fixed assets and trading losses which can be relieved against capital gains that are expected to mature within the same period.

The subsidiary has trading losses pre 1 April 2017 of £1,855,559 giving rise to a potential deferred tax asset of £463,890 (2022 - £477,915). The directors have not recognised a deferred tax asset in respect of these losses carried forward on the basis that it is uncertain whether available taxable profits against which these can be utilized will arise in the foreseeable future.

Company	Assets 2023 £	Liabilities 2022 £
Accelerated capital allowances	-	40,674
Provisions	(20,051)	-
	(20,051)	40,674

Movements in the year:	Company 2023 £	Company 2022 £
Liability at 1 September 2022	40,674	30,078
Credit to profit or loss	(60,725)	10,596
Asset at 31 August 2023	(20,051)	40,674

21 Retirement benefit schemes

Defined contribution schemes	2023 £	2022 £
Charge to profit or loss in respect of defined contribution schemes	179,647	130,205

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

As at the year-end there were £33,727 (2022 - £28,426) of unpaid contributions.

22 Share capital

	Group and Company 2023 £	2022 £
Ordinary share capital Issued and fully paid		
1 ordinary shares of £1 each	1	1

Each share has full rights in the company with respect to voting, dividends and distributions.

23 Other reserves

Other reserves relate to non-distributable profits from The Academy of Contemporary Music Ltd acquired on 1 March 2019.

24 Related party transactions

There were no sales or purchases with these related parties during the year (2022: nil).

25 Ultimate controlling party

The ultimate parent undertaking is ACM Education Limited by virtue of its 100% holding in the share capital of ACM Guildford Limited. The company's ultimate parent undertaking is Industrication Inc Limited, a company registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is headed by the ultimate parent company Industrication Inc. Limited. The consolidated accounts of Industrication Inc. Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

ACM GUILDFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

26 Cash generated from group operations

	2023 £	2022 £
Profit for the year after tax	3,117,180	2,585,916
Adjustments for:		
Taxation charged	(38,116)	228,609
Finance costs	6,061	2,257
Amortisation and impairment of intangible assets	514,898	531,077
Depreciation and impairment of tangible fixed assets	375,194	158,023
Movements in working capital:		
Increase in debtors	44,119	(1,246,654)
Decrease in creditors	108,628	(3,961,651)
Cash generated from operations	4,127,964	(1,702,423)

27 Analysis of changes in net debt - group

	1 September 2022 £	Cash flows £	31 August 2023 £
Cash at bank and in hand	2,420,815	1,567,345	3,988,160
Obligations under finance leases	-	62,834	62,834
	2,420,815	1,630,179	4,050,994