Company Registration No. 11210577 (England and Wales)

ACM GUILDFORD LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

ACM GUILDFORD LIMITED

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ACM GUILDFORD LIMITED

COMPANY INFORMATION

Directors	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 1LQ

ACM GUILDFORD LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The directors present the strategic report for the year ended 31 August 2021.

Fair review of the business

"To learn by doing, in real time based on real world industry projects"

The ACM Guildford Limited is an alternative provider for creative industries education, specialising in creative industries education at both Further Education and Higher Education levels.

ACM works alongside East Surrey College, Walsall Studio School and Middlesex University to provide full time Diploma and Degree programmes in areas including Music Performance, Audio Production, Songwriting and Artistry, Technical Services, Music Business and Entrepreneurship and Games Development.

ACM has, with Middlesex University, built on its own reputation of innovation, by designing and getting approved the UK's first ever accelerated degree programme with integrated postgraduate qualification, meaning that for the first time in the UK, students can go from A-Level to Masters Postgraduate qualification in a 3 year journey.

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.

Financial review

The results for the for the year ended 31 August 2021 show an operating profit of £4,980,896 compared to £3,001,630 in the prior year. Turnover increased by 23% from £12,140,100 to £14,946,022. This was primarily due to students transferring from ACM London Limited to ACM Guildford Limited as a result of the provision changing from Falmouth to Middlesex.

The company maintains a strong cash position, with the year-end balance being £5,186,186 (2020: £428,771).

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 2021	Year ended 31 August 2020
Revenue	14,946,022	12,140,100
Gross profit margin	60%	55%
Operating profit margin	33%	25%

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. Where student recruitment was impacted by COVID and where student numbers within the group had as a result declined since 2019, analytics ahead of the financial year 2022 show that interest has returned to pre-pandemic levels.

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 enjoyed the highest student retention rates in its history 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.

In order to achieve the above and to 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 it 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 company has produced a 5-year forecast Income Statement, Statement of Financial Position and Cash Flow forecast which highlights any liquidity challenges so they can be managed.

Business review and outlook

ACM continues to react dynamically to the challenges being faced as a result of Covid-19. ACM's priority has been ensuring that students are properly supported, and that they continue to receive an excellent learning experience. ACM continues to act promptly to the ever-changing situations, which has resulted in moves from a campus orientated learning environment to online and blended learning. This has required flexibility with regards to resourcing and facilities, to ensure additional tutors and space are available (when allowed) for the students to practice outside of usual teaching hours, in a covid secure manner. In order to continue to deliver a high-level education experience for the students, ACM has invested in a 'campus in a box' scheme, whereby equipment is purchased for students to ensure they could continue with their studies and not be adversely impacted by the pandemic.

The student experience is at the heart of the organisation. The success of our online and blended learning experience, combined with the level of support we provide to our students, will continue to enhance our reputation, and help aid the successful acquisition of future students.

ACM continues to invest in the very best talent amongst educators and industry professionals, overlaid onto our practical approach based on real word practice will continue to maintain our presence as the provider of the highest quality contemporary music education with the most relevance. Our aim is to continually reinforce our position as a "World Leader in Music Industry Education". The unique 'learning by doing' ethos coupled with the connected proposition that links Metropolis Recording Studios, a world class entertainment company, with every vertical of the music industry and feeds straight into the curriculum at ACM. In addition, ACM recognises the convergence within the creative industries sector, and has diversified into the wider, creative industries education sector with courses being offered in Game Development.

Post Balance Sheet Events

There are no post balance sheet events.

On behalf of the board



K R G Clements
Director

31 March 2022

ACM GUILDFORD LIMITED

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 31 August 2021 and up to the date of approval of the audited financial statements.

The effect of the Covid-19 pandemic on corporate governance
As a small and specialist provider with a small core team of employees, the ongoing effects of the pandemic meant that the 'covid adjustments' that were made to the operation of ACM Guildford Limited ("ACM") from March 2020 onwards continued through the period. This included delivering elements of online education in the wake of periods of national and local lockdowns, and the reconfiguration of other operational functions such as administration of education, leaning towards online delivery of those services. The institutional governance frameworks established during the last period also continued, to ensure decision-making could take place in an agile and transparent way, in order to be responsive to the fast pace of change and at a time when the availability of staff members was reduced due to a mixture of furlough and operational requirement, elsewhere.

The institutional governance document (published 2018) demonstrated the ACM Governing Body had delegated academic governance to the Education Executive and operational governance to the Operational Management Team. This was supported by formal board delegations. In light of the pandemic, the Governing Body mandated that Education Executive and Operational Management Team should be integrated with weekly periodicity of meetings. The Executive Chairman, acting as the Accountable Officer, chaired the weekly 'Integrated Executive' and the membership was broadened to include a representative from each department to allow for agility in action setting and reporting. The governing body continued to meet termly with the Accountable Officer providing updates. This agile way of working was particularly necessary due to the fact ACM delivers the majority of its degree provision in an 'accelerated' form meaning that the Summer term lasts until mid-August.

Where messaging from the Minister for Universities was received regarding various combinations of online, blended and on-campus delivery at various times during the year, the act of ensuring that students and staff were studying and working in compliant ways was overseen by the Accountable Officer and Executive Chairman, who took a direct role in ensuring that students and staff were kept safe in the period.

Where critical projects were identified at the Integrated Executive, project working groups were formed as sub-committees of the Integrated Executive to allow for efficiency in cross-departmental working. This approach ensured that critical areas of business, such as academic delivery or student support, could be reconfigured effectively whilst working at pace. A number of innovations and initiatives from the previous period were renewed, that had originally emerged from this space, such as the 'Campus in a Box' initiative whereby ACM purchased and loaned equipment to any students who did not have essential equipment at home to use at times that they were not able to access on campus facilities.

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 2021, 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.

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 two executive bodies,

- Operational Management Team ("OMT") is the body responsible for driving the strategic plan. This includes detailed scrutiny of budgets, statutory accounts, regulatory returns, estates and facilities, business opportunities and forward-looking strategy.
- Education Executive is the body responsible for the 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

From 1 April 2020 these two Executive bodies were merged into an Integrated Executive. In terms of delineation the OMT drive the strategic plan whilst the Education Executive is the body responsible for the implementation of effective academic governance structures. The two executive bodies have a number of committees which undertake a lot of the detailed scrutiny on behalf of the executive bodies and their decisions are reported back to the governing body. All committees are formally constituted.

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. There was one area of enhanced monitoring relevant to the 2020-21 academic year reporting period relating to condition E1: Public Interest Governance. ACM was required to ensure compliance with paragraph 447 of the regulatory framework by seeking:

- An opinion by an external auditor that the provider is using funds for the purposes given;
- Information about value for money of public grant funding;
- An opinion by an external auditor on the adequacy and effectiveness of arrangements for securing value for money from such funding.

ACM's external auditors, Azets Audit Services, have assessed these points as part of their external audit and concluded that ACM is using public grant funding for the purposes given in a manner which secures value for money, as detailed in their audit opinion.

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 (OMT and Education Executive), and other senior staff as prescribed by the Governing Body.
- To manage delegation of day-to-day operational matters to an executive body (Operational Management Team).
- 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
- An annual external audit financial controls as part of a financial audit.

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 2021 and up to the date of approval of the audited financial statements.

ACM GUILDFORD LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The directors present their annual report and financial statements for the year ended 31 August 2021.

Principal activities
The principal activity of the company during the year was developing and supplying popular music 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.

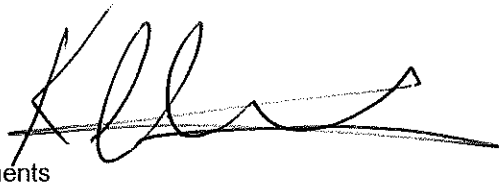
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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).

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 March 2022

ACM GUILDFORD LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF ACM GUILDFORD LIMITED

Opinion

We have audited the financial statements of ACM Guildford Limited (the 'company') for the year ended 31 August 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 company's affairs as at 31 August 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor'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 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 including the Strategic Report, Corporation Governance Statement and Directors Report, 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, directors' report and corporate governance statement for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report, directors' report and corporate governance statement 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report. 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 entity, its activities, its 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;
- Reviewing minutes of meetings of those charged with governance;
- 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 member 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 member 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 member 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

31 March 2022

Statutory Auditor

Azets Audit Services
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

ACM GUILDFORD LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Year ended 31 August 2021 £	Year ended 31 August 2020 £
Turnover	3	14,946,022	12,140,100
Cost of sales		(5,953,294)	(5,480,820)
Gross profit		8,992,728	6,659,280
Administrative expenses		(4,256,390)	(4,130,619)
Other operating income	7	244,558	472,969
Operating profit	4	4,980,896	3,001,630
Interest payable and similar expenses	8	-	(18,165)
Profit before taxation		4,980,896	2,983,465
Tax on profit	10	(445,883)	(341,099)
Profit for the financial year		4,535,013	2,642,366
Other comprehensive income		-	-
Total comprehensive income for the year		4,535,013	2,642,366

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

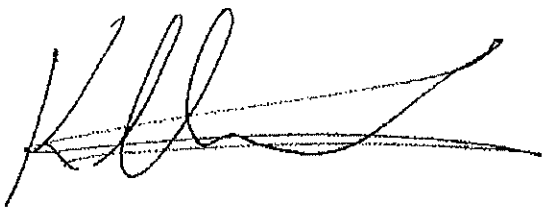
ACM GUILDFORD LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	2020 £
Fixed assets			
Goodwill	11	90,567	181,134
Other intangible assets	11	742,818	1,114,227
Total intangible assets		833,385	1,295,361
Tangible assets	12	158,304	82,960
		991,689	1,378,321
Current assets			
Debtors	13	3,120,890	3,572,508
Cash at hand and in bank		5,158,186	428,771
		8,279,076	4,001,279
Creditors: amounts falling due within one year	14	(1,641,206)	(2,302,528)
Net current assets		6,637,870	1,698,751
Total assets less current liabilities		7,629,559	3,077,072
Provisions for liabilities	15	(30,078)	(12,604)
Net assets		7,599,481	3,064,468
Capital and reserves			
Called up share capital	18	1	1
Other reserves		168,485	168,485
Profit and loss reserves		7,430,995	2,895,982
Total equity		7,599,481	3,064,468

The financial statements were approved by the board of directors and authorised for issue on 31 March 2022 and are signed on its behalf by:



K R G Clements
Director & Accountable Officer



A M Harlow
Chair of the Governing Body

Company Registration No. 11210577

ACM GUILDFORD LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Share capital	Other reserves	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 September 2019		1	168,485	253,616	422,102
Period ended 31 August 2020 Profit and total comprehensive income for the period		-	-	2,642,366	2,642,366
Balance at 31 August 2020		1	168,485	2,895,982	3,064,468
Year ended 31 August 2021 Profit and total comprehensive income for the period		-	-	4,535,013	4,535,013
Balance at 31 August 2021		1	168,485	7,430,995	7,599,481

ACM GUILDFORD LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated by operations	**21**	5,436,064	835,169
Interest paid		-	(18,165)
Tax paid		(576,632)	(242,053)
Net cash inflow from operating activities		4,859,432	574,951
Investing activities			
Purchase of intangible assets		-	(244,129)
Purchase of tangible fixed assets		(130,017)	(85,372)
Net cash used in investing activities		(130,017)	(329,501)
Net increase in cash and cash equivalents		4,729,415	245,450
Cash and cash equivalents at beginning of year		428,771	183,321
Cash and cash equivalents at end of year		5,158,186	428,771

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.

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').

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.

1.2 Going concern

After reviewing the Group's forecasts and student numbers projections and availability of funding, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 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.

1 Accounting policies

1.3 Recognition of income (continued)

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.

1.4 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.

1.5 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.

1.6 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 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 Accounting policies

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, 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 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
Campus in a box	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.

1.8 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.

1.9 Cash and cash equivalents

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

1.10 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.

1 Accounting policies

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.

1.11 Basic financial liabilities

Trade and other creditors

Trade and other creditors are measured at their transaction price unless the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.12 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.

1 Accounting policies

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.

1.13 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.

1.14 Retirement benefits

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

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.

3 Turnover

	2021 £	2020 £
Grant and fee income		
Teaching grant income from the OfS	1,148,170	1,373,856
Deferred capital grants from the OfS released in year	34,080	6,615
Fee income from taught awards (exclusive of VAT)	11,248,539	9,217,471
Fee income from non-qualifying courses (exclusive of VAT)	2,112,357	1,396,415
Hardship funding	89,489	-
Total grant and fee income	**14,632,635**	**11,994,357**
Other income	313,387	145,743
Total turnover	**14,946,022**	**12,140,100**

	2021 £	2020 £
Turnover analysed by geographical market		
UK	14,946,022	12,140,100

4 Operating profit

Operating profit for the year is stated after charging:	2021 £	2020 £
Fees payable to the company's auditor for the audit of the company's financial statements	13,700	14,750
Amortisation of intangible assets	461,976	90,567
Depreciation of owned tangible fixed assets	54,673	10,725

5 Auditor's remuneration

Fees payable to the company's auditor and associates:	2021 £	2020 £
For audit services		
Audit of the financial statements of the company	13,700	14,750
For other services		
Taxation compliance services	3,600	2,715
Payroll services	4,315	-
	7,915	2,715

6 Employees

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

	2021 Number	2020 Number
Tutors	135	127
Sales and Marketing	43	58
Administration	67	74
	245	259

6 Employees (continued)

Their aggregate renumeration comprised:

	2021 £	2020 £
Wages and salaries	5,392,032	5,259,366
Social security costs	520,904	518,826
Redundancy costs	1,673	11,295
Pension costs	102,830	104,379
Compensation for loss of office	10,000	5,167
	6,027,439	5,899,033

Compensation for loss of office shown above relates to one (2020 – one) employee of the company. No other compensation for loss of office payments were made across the Group.

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

	2021 £	2020 £
£110,000 - £114,999	1	1
£120,000 - £124,999	1	2
	2	3

The Head of Provider's remuneration was:

	2021 £	2020 £
Basic salary	150,000	150,000
Pension contributions	525	524
	150,525	150,524

The Head of Provider's basic salary is 4.2 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 4.1 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 £150,000, 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:

	2021 £	2020 £
Aggregate compensation	494,917	320,000

7 Other operating income

	2021	2020
	£	£
Furlough income	244,558	472,969

8 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	-	18,165

9 Access and participation

	2021	2020
	£	£
Access investment	531,906	585,769
Financial support investment	313,600	261,413
Disability support	90,350	76,217
Research and evaluation investment	30,000	14,400
	965,856	937,799

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. £517,795 (2020: £510,607) of these costs are included within staff costs, see note 6.

10 Taxation

	2021	2020
	£	£
Current Tax		
UK corporation tax on profits for the current period	413,309	330,747
Under provision from prior periods	15,100	-
Deferred tax		
Origination and reversal of timing differences	17,474	10,352
Total tax charge	445,883	341,099

10 Taxation (continued)

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

	2021 £	2020 £
Profit before taxation	4,980,896	2,983,465
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2020: 19.00%)	946,370	566,858
Tax effect of expenses that are not deductible in determining taxable profit	-	186
Permanent capital allowances in excess of depreciation	(2,178)	(47,972)
Provisions tax adjustment	51,435	32,347
Deferred tax	17,474	10,352
Prior year tax	15,100	14,080
Group relief	(582,318)	(234,752)
Taxation charge for the year	445,883	341,099

11 Intangible fixed assets

	Goodwill £	Development costs £	Total £
Cost			
At 1 September 2020	271,701	1,114,227	1,385,928
Additions	-	-	-
At 31 August 2021	271,701	1,114,227	1,385,928
Amortisation			
At 1 September 2020	90,567	-	90,567
Charge for the year	90,567	371,409	461,976
At 31 August 2021	181,134	371,409	552,543
Carrying amount			
At 31 August 2021	90,567	742,818	833,385
At 31 August 2020	181,134	1,114,227	1,295,361

Goodwill arose on the acquisition on 1 March 2019 of the assets and liabilities of The Academy of Contemporary Music Ltd ("ACM Ltd"), a company under common management whose principal activity is developing and supplying popular music education, for £nil consideration.

Development costs acquired relate to the development of a virtual learning environment and were brought into use during the year ended 31 August 2021.

12 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Campus in a box £	Total £
Cost				
At 1 September 2020	83,932	1,544	9,672	95,148
Additions	1,382	-	128,635	130,017
At 31 August 2021	85,314	1,544	138,307	225,165
Depreciation and impairment				
At 1 September 2020	10,866	467	855	12,188
Depreciation charged in the year	18,509	269	35,895	54,673
At 31 August 2021	29,375	736	36,750	66,861
Carrying amount				
At 31 August 2021	55,939	808	101,557	158,304
At 31 August 2020	73,066	1,077	8,817	82,960

13 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	613,570	494,257
Amounts owed by group undertakings	2,231,891	2,833,578
Other debtors	16,447	39,150
Prepayments and accrued income	258,982	205,523
	3,120,890	3,572,508

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	113,778	676,063
Amounts owed to group undertakings	306,122	359,934
Corporation tax	153,309	301,531
Other taxation and social security	121,132	101,262
Other creditors	221,856	148,414
Accruals and deferred income	725,009	715,324
	1,641,206	2,302,528

Included in deferred income is an amount of £152,653 (2020 - £215,928) which relates to prepaid fees for students in respect of the 21/22 academic year.

15 Provisions for liabilities

	Notes	2021 £	2020 £
Deferred taxation provision	16	30,078	12,604

16 Deferred Taxation

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

Balances	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	30,078	12,604

	2021 £
Liability at 1 September 2020	12,604
Charge to profit or loss	17,474
Liability at 31 August 2021	30,078

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

17 Retirement benefit schemes

Defined contribution schemes	2021 £	2020 £
Charge to profit or loss in respect of defined contribution schemes	102,830	104,379

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

At the year end there were £22,544 (2020: £19,648) of unpaid contributions.

18 Share capital

	2021 £	2020 £
Ordinary share capital		
Issued and fully paid		
1 ordinary share of £1	1	1

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

19 Other reserves

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

20 Ultimate controlling party

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.

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

21 Cash flows from operating activities

	2021 £	2020 £
Profit for the year after tax	4,535,013	2,642,366
Adjustments for:		
Taxation charged	445,883	341,099
Finance costs	-	18,165
Depreciation of tangible fixed assets	54,673	10,725
Amortisation of intangible assets	461,976	90,567
Movements in working capital:		
Decrease / (increase) in debtors	443,002	(1,880,124)
Decrease in creditors	(504,483)	(387,629)
Cash generated by operations	5,436,064	835,169

22 Analysis of changes in net debt

	1 September 2020 £	Cash-flows £	31 August 2021 £
Cash at bank and in hand	428,771	4,729,415	5,158,186

23 Related party transactions

During the year the company entered into transactions with companies under common management and at the year end the company had the following balances outstanding.

	1 September 2020 £	Movement in year £	31 August 2021 £
Metropolis London Music Limited	(5,022)	(8,700)	(13,722)