

02Registered No. 04551096

ISTITUTO MARANGONI LIMITED

Annual report and Financial Statements

For the year ended 30 June 2023

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ISTITUTO MARANGONI LIMITED

Financial Statements for the year ended 30 June 2023

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Company Information

Registered No. 04551096

Directors

S Valenti
Prof M Hunt
Mark Eastwood (appointed on 6 October 2023)
A Abo Milhim
S Sivari
N Paronetto (resigned on 19 July 2023)
V Berdah-Levy
Prof D Baker (resigned on 19 July 2023)
Phillips Marta Rose (appointed on 15 September 2023)

Secretary

Pinsent Masons Secretarial Limited

Statutory Auditor

Deloitte LLP
Bristol Office
3 Rivergate, Temple Quay,
Bristol, BS1 6GD, United Kingdom

Registered Office

30 Fashion Street
London
E1 6PX
United Kingdom

Bankers

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

BNP
10 Harewood Avenue
London
NW1 6AA
United Kingdom

Strategic Report

Istituto Marangoni Limited (the London School) is a UK based independent higher education provider and private limited company registered with Companies House. It is registered with the Office for Students (OfS). The principal activity of the company during the period was the provision of higher educational courses related to the fashion and design industry.

Financial Performance Review

	Year Ended June 30, 2023	Year Ended June 30, 2022	
	£	£	%
Turnover	24,995,634	20,989,411	19%
Operating profit	9,911,887	7,702,941	29%
Profit after tax	8,223,933	6,847,881	20%

For the financial period ended 30 June 2023, turnover increased by 19% to £24,995k compared to 30 June 2022 in line with increase in the student number (plus 252) and yearly price increase in the student fees.

The increase in operating profit is mainly driven by the increase in revenue (due to the total growth in student population compared to the previous year (plus 17.4%)) and the increase of the average student's fee. Furthermore, the school has been able to optimise the operative costs, in particular the teaching costs section and the other general expenses.

Key Performance Indicators (KPIs)

The financial performance of the Company is driven by the overall quality and academic standards of our programmes, the overall student experience, the successful outcomes of our students and sustained student recruitment growth. Our close links with industry ensure industry relevance across our academic programmes and equip our students with the skills and competencies required of the industry and students' career aspirations. Great financial results are driven by strong academic results and student recruitment. Primary KPIs are shown above in the financial performance review.

Student numbers are monitored weekly through the Weekly Enrolment Report (WeR). The School also maintains good outcomes in the National Student Survey (NSS) that provide an important measure of overall student satisfaction and enables the School to benchmark its performance against comparable and competitor institutions and to support further enhancements to the student experience. The Senior Management Team monitor achievement against KPIs through oversight on a regular periodic basis as well as oversight of the annual departmental reporting process.

Regulatory compliance

Istituto Marangoni London continues to meet all relevant UK higher education regulatory requirements and that of its validating partner, Manchester Metropolitan University. IML has entered into a new partnership with Regent's University with all programmes having been successfully validated during 2022/2023 in readiness for the first intake of students commencing in October 2023. Existing students enrolled with MMU will continue their studies through MMU or will transfer to Regents University with effect from October 2023. The School continues to ensure compliance, enhancement and best practice through designated management teams and departments within the Company both at UK and (as applicable) at Group level, charged with ensuring all relevant accreditations and licenses are maintained in line with legal advice and

reported to the Board of Directors and Academic Board. Quality standards, compliance and achievements against School strategic goals are also monitored through the London governance committees and reported to Shareholders.

Submissions and reviews in Academic Year 2022/23:

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

- HESA AP Student Record
- Aggregate Offshore record
- OfS Financial Return
- Provider Profile
- National Student Survey
- Graduate Outcomes Survey
- OIA Annual Return
- Prevent Annual Monitoring and Data return
- Unistats

In accordance with changes to the OfS on-going conditions of registration the School made its first full Teaching Excellence Framework (TEF) submission in January 2023. The School attained an overall bronze rating in September 2023.

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

Principal risks

Ukraine war

The School continues to support students impacted by the Ukraine war and particularly those suddenly without access to funds to apply for support with day to day living costs through the School's hardship funding. In recruitment terms, the potential risk of adversely impacting student recruitment or retention has not been realised in practice. Instalment Plans for fee payment are important mitigations to counteract any delays in accessing cash for both new and continuing students while access to scholarships or hardship funding also mitigate against potential drop-out or decline in recruitment.

Cost of living crisis

Student recruitment continues to remain on target, although we have experienced some decline in specific recruitment markets due to the cost-of-living issues. In practice, the majority of our students are less likely to be impacted by high inflation, although students have access to hardship funds should they experience unexpected financial difficulty.

Higher energy costs also impact on the School's overall operating costs but remain manageable. The annual pay award to members of staff was correspondingly adjusted in recognition of the impact of inflation while the School also continues to invest in its overall benefit package to

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support staff retention and well-being and remain competitive in terms of staff recruitment.

Long term impact of Brexit

The long term impact of Brexit includes the risk of a decline in EU student recruitment.

In practice student recruitment targets continue to be met, while in practice there is a shift in recruitment patterns across different EU countries following Brexit. Student recruitment strategies combined with specific scholarship opportunities are the planned mitigations which have proved effective in practice. Additionally, successive annual application for increased CAS allocation continue to provide important mitigation to maintain achievement against recruitment targets and will continue in subsequent years.

Staff recruitment and retention

Staff recruitment and retention remains an area of risk due to the extremely competitive employment market due to changes in demographics, Brexit impact and higher cost of living factors. The School continues to benchmark remuneration and employment policies to remain competitive with other companies and attract and retain the best talent.

Valerie Berdah-Levy

V Berdah-Levy

Director

Date: 28/11/2023

Mark Hunt

Mark Hunt

Director

Date: 28/11/2023

Directors' report

The directors present their report and the financial statements for the period ended 30 June 2023.

Principal activity and business review

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

Future developments

The School will continue developing its academic offer in response to the needs of the industry and market and continues to work towards the acquisition of TDAP and the development of its research profile and activity.

The Directors confirm that there have been no events post-balance sheet.

Results and dividends

The profit for the year amounted to £8,223,933 (2022: £6,487,440). In May 2023, a £6,400,000 dividend was approved by the directors (2022: £10,000,000) and paid prior to the year-end. Dividend paid were £128 per share (2022: £200 per share).

Directors

The directors who served the company during the period were:

S Valenti

Prof M Hunt

A Abo Milhim

S Sivari

N Paronetto – resigned 19 July 2023

V Berdah-Levy

Prof D Baker – resigned 19 July 2023

All Directors are covered by liability insurance within Istituto Marangoni Ltd.

Going concern

In assessing the going concern position of the Company for the financial statements for the year ended 30 June 2023, the Directors have considered the Company's cash flows, liquidity and activities.

In making this assessment the Directors have considered the Settlement Agreement reached with Metropolitan Manchester University (MMU), in relation to the termination of the validation relationship, and confirm that there is no material impact on the future financial statements and sustainability of the School.

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

Financial Risk Management

Liquidity risks

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

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Interest rate risks

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates.

Instituto Marangoni have two group's loan paying interest with a fixed interest rate and therefore there will be no fluctuation in the interest received.

Currency exchange risks

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

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

Credit/Counterparty risk

The credit risk is that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. Istituto Marangoni has financial instrument exclusively towards the Ultimate parent company that mitigate any substation financial risk within the group.

Disclosure of information to auditors

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

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

Auditor

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

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

Valerie Berdah-Levy

V Berdah-Levy

Director

Date: 28/11/2023

Mark Hunt

Mark Hunt

Director

Date:28/11/2023

Statement of directors' responsibilities in relation to the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and exemplified in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement on Corporate Governance and Internal Control

Istituto Marangoni Limited (the London School) is a UK based independent higher education provider and private limited company registered with Companies House. It is registered with the Office for Students (OfS) and had a well-established validating partnership with Manchester Metropolitan University. In August 2022 the School gave notice to MMU of its intention to terminate its partnership with MMU. Istituto Marangoni also holds a Student Visa Sponsor License with United Kingdom Visa & Immigration (UKVI) and has a well-established track record of compliance.

The London School is committed to adopting best governance practice as set out in relevant codes of governance, principally the Committee of University Chairs Code of Governance and the UK Corporate Governance Code. In accordance with its conditions of registration with the OfS, it upholds public interest governance principles that are reflected in its relevant governing documents.

Following an earlier independent governance effectiveness review, the Board commissioned an independent external review of its governance in October 2021, carried out by Pinsent Masons LLP. The focus of this review was to ensure the continued appropriateness of its governance infrastructure to support its prospective application for Taught Degree Awarding Powers (TDAP) and good governance practice building on earlier work and internal governance reviews.

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

- extending the role of the Audit Committee to encompass the oversight of all aspects of risk including academic risk.
- disbanding the Board of Governors and redistributing its responsibilities across the Board and Board Committees and consolidating the work of the former School Board as an Academic Board reporting directly to the Board on matters of academic governance.
- Establishing the Finance and Resources Committee as a Board Sub-Committee.
- Appointing one of the independent Non-Executive Directors as its Chair.

The new Board structure has been fully operational throughout the financial reporting period.

The Board of Directors

The Board of Directors is the ultimate accountable body and therefore responsible for the strategic direction, management, and financial solvency of the company. Its remit is set out within the Company Articles of Association, its Statement of Primary Responsibilities and the London School's Scheme of Delegation. The powers of the Company, the approval of the annual financial statements and accounts, the financial solvency and safeguarding of its assets are specifically reserved for the Board's own decision making and cannot be delegated.

The Board of Directors is supported and advised by its governance sub-committees; namely the Audit and Risk Committee and Academic Board, each of which has delegated responsibility for detailed aspects of governance. The Board of Directors and its sub-committees include an appropriately balanced membership of internal company Directors and external (Non-Executive Directors or Independent External) members. The Board of Directors and Audit and Risk Committee are each chaired by a Non-Executive Director and there is an Academic Student Governor who attends the Board. Members of the Board of Directors and the Board's appointed

Independent External Members are required to disclose information on the register of interests which is updated annually and maintained by the Registrar. Appropriate due diligence checks are also undertaken as part of the nomination and appointment process in addition to members' declarations regarding their fit and proper status.

The remit and delegated responsibilities of the respective Board committees are summarized below:

Audit and Risk Committee

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

Academic Board

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

Finance and Resources Committee

One of the principal outcomes from the governance review was the establishment of the Finance and Resources Committee (FRC). The FRC is responsible for overseeing IML's financial performance, overall solvency and financial sustainability and considers recommends to the Board approval of the financial regulations and financial and employment policies.

Key Governance Activities

Over the reporting period the main focus has been on the successful implementation of the new governance structure, refinement of the School's Risk Management and reporting and oversight and approval of various policies. The Board has also exercised governance oversight of the School's progress towards its strategic objectives, including its ambition towards Taught Degree Awarding Powers (TDAP).

Internal Control

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

This system described below is an on-going process designed to identify the principal risks to the achievement of the School's aims and objectives; to evaluate the likelihood and impact of those

risks; and to manage them efficiently, effectively and economically. This process has been in place for the year ended 30 June 2023 and up to the date of approval of the financial statements and accords with OfS guidance.

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

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

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

Risk Management

- The School embeds risk management and internal control processes in the annual operation of academic and professional services activities;
- The Senior Management evaluates the likelihood and impact of risks, establishing mitigating controls through the Strategic and departmental Risk Register. The Register includes an evaluation of the likelihood and impact of risks, and identifies mitigation measures;
- Clear responsibilities and delegated authority of managers including responsibility for identifying and managing operational risks at a departmental level and escalating significant risk to the Senior Management Team (SMT);
- The SMT evaluates identification and management of risk to the achievement of the London School's strategic objectives through the annual planning & quarterly review process including the annual and quarterly review of the Risk Register;
- In addition to the Strategic Risk Register the School has a specific Risk Register for the DAP Project with the acquisition of DAP's continuing to be a fundamental part of its strategy in addition to a series of operational risk registers maintained and reviewed by

the relevant departmental Manager.

Internal Audit

- A professional independent, external Internal Audit team (UNIAC) is appointed by the Audit and Risk Committee. The annual programme is approved by the Audit and Risk Committee and reports through the Audit and Risk Committee to the Board of Directors;
- The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.
- We are aware of some weaknesses in the system of internal control in response to the recent findings from one of our internal audits, and management is in the process of finalising its response and addressing any weaknesses.

External Audit

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

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Istituto Marangoni Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the 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.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We considered the nature of the company's industry, and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, Audit Committee chair and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation, the Office for Students “Regulatory Advice 9: Accounts Direction”; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company’s ability to operate or to avoid a material penalty.

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

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

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

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

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with the Office for Students (OfS).

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors’ report.

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

In our opinion, in all material respects:

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.

We have nothing to report in respect of these matters.

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

- the provider's grant and fee income, as disclosed in the note 16 to the accounts, has been materially misstated.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP

Michelle Hopton FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Bristol, United Kingdom
29 November 2023

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Profit and loss account

For the year ended 30 June 2023

	Note	2023 £	2022 £
Turnover		24,995,634	20,989,411
Cost of sales		(7,255,857)	(6,281,751)
Gross Profit		17,739,777	14,707,660
Administrative expenses		(7,827,890)	(7,004,719)
Operating Profit	2	9,911,887	7,702,941
Finance costs (net)	3	704,227	751,811
Profit for the financial period before tax		10,616,114	8,454,752
Tax on profit on ordinary activities	4	(2,392,181)	(1,967,311)
Profit for the financial period		8,223,933	6,487,440

All amounts relate to continuing activities.

There were no recognised gains or losses other than those included in the profit and loss account. The notes 1 to 19 form part of these financial statements.

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Balance sheet

As at 30 June 2023

	Note	2023 £	2022 £
Non-current assets			
Tangible assets	5	996,682	1,245,991
Investments in associates	6	743,207	743,207
		<u>1,739,889</u>	<u>1,989,198</u>
Current assets			
Debtors amounts falling due after more than one year	7	208,098	158,389
Debtors amounts falling due within one year	7	14,487,286	13,828,733
Cash at bank and in hand		11,170,914	8,079,392
		<u>25,866,298</u>	<u>22,066,514</u>
Current Liabilities			
Creditors amounts falling due within one year	8	14,015,398	12,111,885
Provision	9	-	219,000
		<u>11,850,900</u>	<u>9,735,629</u>
Net current assets		<u>11,850,900</u>	<u>9,735,629</u>
		<u>13,590,789</u>	<u>11,724,827</u>
Total assets less current liabilities			
Non-current liabilities			
Creditors amounts falling due after more than one year	8	79,011	36,981
		<u>13,511,778</u>	<u>11,687,846</u>
Net assets		<u>13,511,778</u>	<u>11,687,846</u>
Capital and Reserves			
Called up share capital	11	50,000	50,000
Share premium account	12	250,000	250,000
Profit and loss account	12	13,211,778	11,387,846
Shareholders' funds		<u>13,511,778</u>	<u>11,687,846</u>

The notes 1 to 19 form part of these financial statements.

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

Valerie Berdah-Levy

V Berdah-Levy

Director

Date: 28/11/2023

Mark Hunt

Mark Hunt

Director

Date: 28/11/2023

ISTITUTO MARANGONI LIMITED

Statement of changes in equity

For the year ended 30 June 2022

	Called-up share capital	Share premium	Profit and loss account	Total
At 1 July 2021	50,000	250,000	14,900,405	15,200,405
<hr/>				
<u>Comprehensive income</u>				
Profit for the year	-	-	6,487,441	6,487,441
Total comprehensive income	-	-	6,487,441	6,487,441
Equity dividends paid (note 13)	-	-	(10,000,000)	(10,000,000)
At 30 June 2022	50,000	250,000	11,387,846	11,687,846

For the year ended 30 June 2023

	Called-up share capital	Share premium	Profit and loss account	Total
At 1 July 2022	50,000	250,000	11,387,846	11,687,846
<hr/>				
<u>Comprehensive income</u>				
Profit for the year	-	-	8,223,933	8,223,933
Total comprehensive income	-	-	8,223,933	8,223,933
Equity dividends paid (note 13)	-	-	(6,400,000)	(6,400,000)
At 30 June 2023	50,000	250,000	13,211,779	13,511,779

Cash Flow statement

For the year ended 30 June 2023

	2023	2022
Cash Flows from operating activities		
Profit for the financial period before tax	10,616,114	8,454,752
Adjustments for:		
Depreciation on tangible assets	490,334	662,140
Foreign exchange loss	25,559	72,472
Interests received	(704,227)	(751,811)
Provision	(219,000)	0
Operating Cash flow before working capital changes	<u>10,208,780</u>	<u>8,437,553</u>
Movements in deferred revenue	1,100,788	2,189,764
Increase in trade and other receivables	(733,820)	(181,545)
Increase in trade payables	438,004	355,865
Cash generated from operations	<u>11,013,752</u>	<u>10,801,637</u>
Income tax paid	(1,985,432)	(1,321,358)
<i>Net cash generated from operating activities</i>	<u>9,028,320</u>	<u>9,480,279</u>
Cash Flows from investing activities		
Purchase of property, plant and equipment	(241,025)	(263,534)
Repayment of loan issued to other group company	0	4,941,890
Interest received on intercompany loan	704,227	1,086,671
<i>Net cash from investing activities</i>	<u>463,202</u>	<u>5,765,027</u>
Cash Flows from financing activities		
Payment of Dividend	(6,400,000)	(16,870,000)
<i>Net cash from financing activities</i>	<u>(6,400,000)</u>	<u>(16,870,000)</u>
Net increase/(decrease) in cash and cash equivalents	3,091,522	(1,624,694)
Cash and cash equivalents at the beginning of the year	8,079,392	9,704,086
Cash and cash equivalents at the end of the period	<u>11,170,914</u>	<u>8,079,392</u>

Notes to the financial statements

For the year ended 30 June 2023

1. Statement of principle accounting policies

Statement of compliance

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

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Basis of preparation

The financial statements of the company were approved for issue by the Board of Directors on the 28th November 2023. The financial statements have been prepared in accordance with applicable accounting standards and under OfS Regulatory Advice 9: Accounts Direction.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, GGE TCo 1 SAS, which may be obtained at 41, Rue Saint Sebastien, Paris 75011 France. Exemptions have been taken in these separate Company financial statements in relation to the financial instruments.

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

Going concern

In assessing the going concern position of the Company for the financial statements for the year ended 30 June 2023, the Directors have considered the Company's cash flows, liquidity and activities.

In making this assessment the Directors have considered the Settlement agreement reached with Metropolitan Manchester University (MMU), in relation to the termination of the validation relationship, and confirm that there is no material impact on the future financial statements and sustainability of the School.

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

Judgements and key sources of estimation

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

There are no sources of material estimation uncertainty.

Notes to the financial statements

For the year ended 30 June 2023

Statement of principle accounting policies (continued)

Significant accounting policies

Tangible assets

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

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

The carrying values of tangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

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

Turnover recognition

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

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

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

Interest income

Revenue is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments to its net carrying amount.

Dividends

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

Notes to the financial statements

For the year ended 30 June 2023

Statement of principle accounting policies (continued)

Significant accounting policies (continued)

Provision for liabilities

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

Taxation

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

Deferred tax

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

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

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

Foreign currencies

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

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

All the differences are taken to the income statement.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) *Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that comply with all of the condition of paragraph 11.9 of FRS 102 are classified as 'basic'. For debt instruments that do not meet the conditions of FRS 102.11.9, the company considers whether the debt instrument is consistent with the principle in paragraph 11.9A of FRS 102 in order to determine whether it can be classified as basic. Instruments classified as 'basic' financial instruments are measured subsequently at amortised cost using the effective interest method.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss. Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Operating leases

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

Operating lease commitments

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

Pensions

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

Investment in associates

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

Notes to the financial statements**For the year ended 30 June 2023****2. Operating Profit**

The Operating Profit is stated after charging:

	2023	2022
	£	£
Depreciation of tangible fixed assets: owned by the company	490,334	662,140
Auditors' remuneration	81,000	66,000
Net (loss)/profit on foreign exchange transactions	25,559	72,472
Rent	2,053,587	2,033,916
	<u>2,650,480</u>	<u>2,834,528</u>

The auditors' remuneration relates to the audit of the financial statements, and they have not provided any non-audit services.

3. Finance costs (net)

	2023	2022
	£	£
Interest receivable on intercompany loan	704,227	751,811
	<u>704,227</u>	<u>751,811</u>

Notes to the financial statements

For the year ended 30 June 2023

4. Tax on profit on ordinary activities

	2023 £	2022 £
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	2,260,871	1,686,580
Adjustments in respect of prior periods – Corporation Tax	88,774	247,564
Total current tax	<u>2,349,645</u>	<u>1,934,144</u>
Deferred tax (see note 10)		
Origination and reversal of timing differences	42,536	33,167
Total deferred tax	<u>42,536</u>	<u>33,167</u>
Total tax profit	<u>2,392,181</u>	<u>1,967,311</u>

Factors affecting tax charge for the year

	2023 £	2022 £
Profit on ordinary activities before tax	<u>10,616,114</u>	<u>8,454,752</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2022: 19%)	2,176,303	1,606,403
Effects of:		
Expenses not deductible for tax purposes, other than goodwill		
Adjustments in respect of amortization and impairment	127,104	113,344
Adjustments to tax charge in respect of prior periods	88,774	247,564
Tax rate differences	-	-
Current tax charge for the year	<u>2,392,181</u>	<u>1,967,311</u>

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ISTITUTO MARANGONI LIMITED

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is measured on a non-discounted basis.

ISTITUTO MARANGONI LIMITED

5. Tangible assets

	Leasehold Property	Plant & machinery	Fixtures & fittings	Computer equipment	Asset Under Construction	Total
	£	£	£	£	£	£
Cost						
At 1 July 2022	3,748,498	145,748	1,122,643	902,795	148,901	6,068,585
Additions	64,904	11,951	41,348	83,860	38,962	241,025
At 30 June 2023	3,813,402	157,699	1,163,991	986,655	187,863	6,309,610
Depreciation						
At 30 June 2022	2,992,437	104,507	949,607	776,044	0	4,822,595
Charge for the year	320,161	9,393	88,623	72,155	0	490,332
At 30 June 2023	3,312,598	113,900	1,038,230	848,199	0	5,312,927
Carrying value						
At 30 June 2022	756,061	41,241	173,036	126,751	148,901	1,245,991
At 30 June 2023	500,804	43,799	125,761	138,456	187,863	996,683

6. Investment in associates

	2023 £	2022 £
Investment in associates	743,207	743,207
	<u>743,207</u>	<u>743,207</u>

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

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

	March 31, 2023 INR	March 31, 2022 INR
Assets	250,119	206,451
Liabilities	64,516	50,422
Equity	185,603	156,029
Profit/Loss	29,573	59,732

7. Debtors

	2023	2022
	£	£
Due after more than one year		
Rent deposit	208,098	158,389
	<u>208,098</u>	<u>158,389</u>
 Due within one year		
Trade debtors	115,802	83,052
Amounts owed by group undertakings	12,966,553	12,190,305
Prepayments	1,404,930	1,555,376
	<u>14,487,285</u>	<u>13,828,733</u>

Rent deposit has increased due to the hiring of two new office space at 11-29, Fashion street.

Debtors (continued)

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

- EUR 7,000,000 to Galileo Global Education Luxco S.a.r.l (formerly MBSP 3 S.a.r.l). The loan accrues interest at a rate of 4.75% per annum.
- £1,500,000 to Galileo Global Education Luxco S.a.r.l (formerly MBSP 3 S.a.r.l). The loan accrues interest at a rate of 8.1875% per annum and is repayable on demand.

Accrued interest is included in amounts owed by group undertakings.

8. Creditors

Due within one year

	2,023	2,022
	£	£
Trade creditors	194,615	612,622
Amounts owed to group undertakings	543,913	235,617
Deferred tax liability (see note 10)	68,487	25,951
Social security and other taxes	153,928	92,067
Accruals	2,639,230	2,195,406
Corporation tax payable	1,087,762	723,546
Deferred income	9,327,464	8,226,676
	14,015,399	12,111,885

Due after more than one year

	2023	2022
	£	£
Deferral rent expenses	79,011	36,981
	79,011	36,981

9. Provision

	2023	2022
	£	£
Provision	0	219,000
	<u>0</u>	<u>219,000</u>

Provision related to the notice served to Manchester Metropolitan University with respect to the termination of the validation relationship confirming that the partnership will not be renewed following expiry of the MOA at the end of its term in August 2023. Following the signing of the Settlement Agreement with MMU, the provision has been reclassified in a full Accrued expense and it will be payable in November 2023.

10. Deferred tax

The deferred tax liability is made up as follows:

	2023	2022
	£	£
At beginning of year	(25,951)	7,216
Prior year adjustment	-	-
Charged during year	(42,536)	(33,167)
Liability/asset at end of the year	<u>(68,487)</u>	<u>(25,951)</u>

Deferred tax relates entirely to accelerated capital allowances 2023: (£68,487) (2022: £25,951)

The closing deferred tax liability as at 30 April 2023 has been calculated at 25% (2022: 25%) reflecting the tax rate at which the deferred tax liability is expected to be reversed in future periods.

11. Share Capital

	2023	2022
	£	£
Authorised, allotted, called up and fully paid		
50,000 Ordinary Shares of £1 each	50,000	50,000

12. Reserves

	Share Premium Account	Profit and loss account
	£	£
At 1 July 2022	250,000	11,387,846
Profit for the year	-	8,223,933
Dividends paid on equity capital	-	(6,400,000)
 At 30 June 2023	 <u>250,000</u>	 <u>13,211,779</u>

Reserves have increased to £13,211,779 in line with increased profit of the company.

Notes to the financial statements

For the year ended 30 June 2022

13. Dividends

	2023	2022
	£	£
Dividends paid on equity capital	6,400,000	10,000,000

Dividend paid were £128 per share (2022: £200 per share)

14. Operating lease commitments

At 30 June 2023, the company had commitments under non-cancellable operating leases as follows:

Building

	2023	2022
	£	£
Amounts payable:		
No later than 1 year	2,011,284	2,011,284
Later than 1 year and no later than 5 years	8,045,136	8,045,136
Later than 5 years	2,242,719	4,254,003
	<u>12,299,139</u>	<u>14,310,423</u>

Equipment

	2023	2022
	£	£
Amounts payable:		
No later than 1 year	40,166	40,166
Later than 1 year and no later than 5 years	0	40,166
Later than 5 years	0	0
	<u>40,166</u>	<u>80,332</u>

Notes to the financial statements

For the year ended 30 June 2022

15. Staff costs

Staff costs breakdown

	2023	2022
	£	£
Wages and salaries – Teachers	2,886,750	2,360,870
Wages and salaries- Administration	1,566,482	1,246,647
Social security costs	290,604	283,623
Pension costs	38,211	36,598
	4,782,047	3,927,738

The number of staff was made up as following:

	2023	2022
	Number of staff	Number of staff
Administration- Employees	38	30
Academic Staff - Employees	9	8
Academic Staff - Contracted	103	95
Total Administration and Academic Staff	150	133

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

Basic Salary of other higher paid staff

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

	2023	2022
	Number of staff	Number of staff
Basic salary per annum		
£100,000 - £104,999	1	1
£105,000 - £109,999	-	1
£110,000 - £114,999	-	-
£115,000 - £119,999	1	-

School Director remuneration

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

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

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

	2023	2022
	12 Months	11 Months
Basic salary	115,099	80,667
Payments in lieu of pension contributions	0	0
Payment of dividends	0	0
Performance-related pay and other bonuses	0	26,400
Pension contributions	0	0
Salary sacrifice arrangements	0	0
Compensation for loss of office	0	0
Any sums paid under any pension scheme in relation to employment with the provider	7,837	6,164
Other taxable benefits	0	0
Non-taxable benefits	10,463	0
Other remuneration	0	5,100

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

ISTITUTO MARANGONI LIMITED

The School Director's annual basic salary is 3.2 (2022: 2.9) times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid to established and sessional staff.

The new appointed School Director's total remuneration is 3.1 (2022: 2.7) times the median pay of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total salaries paid to established and sessional staff.

School Director Salary justification

The incoming School Director who was appointed towards the end of the last reporting period is an experienced School Director from our Paris School who was appointed for her extensive leadership skills, to further develop the School and to progress and lead the TDAP application to successful conclusion. The London School continues to achieve its goals and strategic objectives under the new leadership, maintaining continued growth in student recruitment and a high-quality student and academic experience. Good progress has been made in terms of the progression of the TDAP project and the achievement of a new strategic partnership with Regents University.

Severance payment

During Financial Year 2023, no severance payment has been paid out.

Executive directors' payment

The executive company directors do not receive any emoluments.

16. Turnover

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

All turnover arose within the United Kingdom.

There is no grant income from the OfS or from other bodies.

	2023	2022
	£	£
Grant income from the OfS	-	-
Grant income from other bodies	-	-
Fee income for taught awards (exclusive of VAT)	24,463,813	20,765,930
Fee income for research awards (exclusive of VAT)	-	-
Fee income for non-qualifying courses (exclusive of VAT)	531,821	223,481
Total grant and fee income	<u>24,995,634</u>	<u>20,989,411</u>

17. Related party transactions

The Company has taken advantage of the exemption under paragraph 3.3.1 a of FRS 102 not to disclose transactions with fellow wholly owned subsidiaries.

Regents University is no longer a wholly owned subsidiary and during the year, the Company purchased goods in the ordinary course of business from Regents University, an associate, at a cost of £12,465 (2022: £4,655). Amounts owed by associates at the reporting date were £4,810 (2022: £nil). These amounts all relate to trading balances.

18. Ultimate parent undertaking controlling party

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

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

19. Post balance sheet events

There are not post Balance event to be reported.