

Registered number: 06879861

AMITY GLOBAL EDUCATION LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

# AMITY GLOBAL EDUCATION LIMITED

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# AMITY GLOBAL EDUCATION LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Atul Chauhan Aseem Chauhan
<b>Company secretary</b>	Visra Company Secretaries Limited
<b>Registered number</b>	06879861
<b>Registered office</b>	Suite 1, 3rd Floor 11-12 St. James Square SW1Y 4LB
<b>Independent auditor</b>	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

# AMITY GLOBAL EDUCATION LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

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### Introduction

#### Strategic views

The global competition in higher education is increasing and there are substantial national challenges for Universities. The model of higher education in England is under review and the themes highlighted in the Augur Review of higher and further education, published in May 2019, such as lower fees, value for money and an emphasis on technical education, will continue to be part of the debate on education policy. However, Amity University [in] London has continued to grow despite demographic changes currently producing fewer 18 years old; potential recruits having different expectations to existing students; and the increased competition for students.

*Education landscape:* The creation of the Office for Students (OfS) and United Kingdom Research and Innovation (UKRI) represents the largest structural change since 1992 in the way the higher education system is regulated. We have new legislation and a new regulator with a new mandate and a different approach. The focus on the University being well-governed, offering value for money to students amidst concerns about student debt, while achieving genuine excellence in teaching and research, will be strengthened. Public scrutiny of universities has also increased. With the separation of oversight for teaching and research, the Office for Students is expected to maintain a narrow focus on value for money and teaching outcomes.

*Covid-19 pandemic:* When the COVID-19 pandemic began we acted quickly and on a broad front to help students and staff to cope with the crisis, and ensure academic and professional staff and students have access to the latest, accurate information in relation to the virus and the 'work safe' environment. During 2019–20 we launched an online learning, practice and support environment for the community of students and staff. Actively responding to the crisis, has meant the University working quickly and closely with students, academic and professional staff to launch initiatives to support students and staff in achieving quality learning outcomes through the approved curriculum. The fundamentals of our business remain strong and we are confident that the medium-term prospects for the Amity University [in] London offer are robust and exciting, making a virtue of our scale of operations that enable a more personalised student experience compared with other institutions, while still offering access to large institutional facilities in a 'global city'.

As the crisis has unfolded the strategic focus has been helping students, and staff to navigate an unfamiliar world of virtual classes, working from home. Guidance and advice have been provided to support all the University's members. We have made many of our course materials available online, making textbooks and associated learning resources freely available online to students.

In spite of the current challenges, Amity University [in] London has retained a strong financial position in 2019-2020. As part of its overall strategy, the University will maintain its financial health in the coming years, so as to invest in teaching and research, physical and virtual facilities, and the experience we offer our students to help them achieve positive learning outcomes.

# AMITY GLOBAL EDUCATION LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### Delivering the University's strategy during 2019-2020

#### Investing in students

Enabled by the renewal of our strategic agreement with Birkbeck College and University of London, Amity University [in] London continues to make a substantial investment in student-facing services and facilities, including outstanding teaching resources, and state of the art facilities for our students and exchange programmes. Investing in services for our international students supports the overall strategic goals of recruiting the best students from around the world and preparing students for a global workplace.

This investment made has led to a 30% per cent increase in international recruitment for exchange programmes over the last three years. Moreover, all our students are encouraged to broaden their cultural horizons and enhance their employability through the transnational opportunities we offer for students to work. In this context our international students are able to share their skills and knowledge with UK businesses and organisations, as well as take that expertise back to support the economy and industry of their home countries.

*Strategy for student wellbeing and mental health:* We have also made a significant investment in student mental health and increased investment in alumni relations. Student Wellbeing and Mental Health have become major issues for all universities, and the need for the sector to engage seriously with the topic has been highlighted in many reports from government agencies, OfS, Universities UK and the Higher Education Policy Institute (HEPI). During last year, Amity University [in] London engaged in discussing and approving a new enhanced Strategy for Student Wellbeing and Mental Health that establishes a whole university approach to student health and wellbeing. Developed with input from students, the strategy is being delivered in partnership with our Student Body with a commitment to ensure that all students thrive thanks to their relationship with the University as enrolled students and then as alumni.

*Access and Participation programme:* The University continues to work on widening participation and improving access. The new OfS strategy related to access and participation work requires the University's commitment on a five years basis. In summer 2019, Amity University [in] London successfully approved with the OfS its first five-year access and participation plan (2019-2024). Replacing a single year plan, the document commits the University to providing financial support to low income students, delivering outreach work to raise attainment and aspiration, and targets to demonstrate progress on the admission of under-represented and disadvantaged groups.

The Business *Education Centre*, under development, seeks to raise awareness of higher education initiatives through an outreach programme that is informative, timely, meaningful and relevant to young people from disadvantaged backgrounds. The activities included in the programme are designed to deliver skills and knowledge through on- and off-campus experiences of higher education.

Committed to improving access to, and widening participation in, higher education, the University has enacted an Access and Participation Plan (APP) for 2020-21, describing how it intends to attract and support students in applying to, and studying at Amity University [in] London. The Plan contains a number of ambitious targets on admissions, to further diversify the University's intake measured by Population in Local Areas (POLAR) and Index of Multiple Deprivation (IMD) quintiles. The University committed to work in partnership with London Higher Access and Participation team to build a successful outreach programme. An active member of the New Economy Organisers Network (NEON) network, Amity University [in] London participated in online designed activities and will continue its engagement to support people from disadvantaged backgrounds through their educational journey. By working with schools and colleges, local authorities and higher education partners we are helping build a socially and culturally diverse student population.

# AMITY GLOBAL EDUCATION LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### Student recruitment

The University has experienced sustained growth in student recruitment over the last academic year but recognises the ongoing uncertainty in the sector regarding student recruitment.

Before the COVID pandemic hit, we had been enjoying another year of good growth in the number of international students enrolled in our programmes.

We have committed funding to explore various approaches to marketing in countries from where we feel the University has potential to grow its intake. Amity University [in] London will continue to respond robustly to these challenges by exploring other opportunities to grow student numbers.

### Student experience

Our student experience is one of our greatest strengths. The University, in collaboration with the student body, aims to deliver an outstanding student experience that enriches the lives of all students, fosters a culture of wellbeing and values their voices.

The University continues to work in a successful partnership with student representatives and the entire student body to ensure that students are always part of any decision-making process. The Student Committee provides a valuable forum for gaining feedback on specific proposals aimed at enhancing the student experience. The University undertakes a range of exercises to gather student feedback, and as a result an Annual Integrated Student feedback is produced. Action plans are created with students as a result of their feedback, published online and reviewed on an ongoing basis. These reports are discussed at Academic Board and by the Governing Body.

Based on the data collected from students overall, 95% of students are satisfied or very satisfied with the quality of teaching on their course. The NUS report that quality of teaching is cited by students as the most important factor in making a good learning and teaching experience. Last year's NUS student experience report shows that 84% of the students are happy with the quality of teaching at their institutions. With a satisfaction rate of 95%, Amity is confident that the necessary processes are in place to ensure the maintenance of teaching standards.

In the 2019-20 academic year, overall student satisfaction with Assessment and Feedback went up 5% ((98% of the students now are very happy with their feedback on assessments and work, and the feedback timeframe), Amity University [in] London continues to maintain its position above the benchmark of the NUS data where it has been for the past five years.

The University renewed its agreement with the University of London Student Union and, based on this collaboration, Amity University [in] London students will continue to have access to more than 30 clubs and societies, and sport facilities. Furthermore, a significant range of other opportunities/facilities are also available for students and staff who want to engage in competitive sports to become more active.

Significant investment was also made for further development of the University's virtual learning platform and the academic content for online delivery.

# AMITY GLOBAL EDUCATION LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### Learning, teaching and student success

Our approach to teaching informed by research, is based on extensive evidence for effective practice and maintains high standards throughout each study path. It is a flexible process that changes and adapts to each annual intake of students. Ensuring that students have the skills and capabilities to be successful graduates is a core objective of the University's approach to learning and teaching. We use interactive teaching to encourage students to go beyond the retention of information through the investigation and development of concepts, subject to critical analysis.

Alongside teaching, it is important to us that we offer a well-rounded student experience and support our students through their learning journey above and beyond their studies in the form of opportunities for personal development. As the nature of learning continues to evolve, our offering must adapt through provision of blended and online opportunities and alternative routes into higher education.

We have committed to review our portfolio of courses within the Business Management subject area to ensure all our programmes meet the changing needs and expectations of students and create a student-centred and flexible learning environment.

In their last year, we encourage students to engage in original research and practice in their subject area through initiatives like *Industry Research Project*, which provides students with the opportunity to undertake a research project that enhances the learning experience, base of knowledge, skills and practical experience.

A clear priority area for the University has been to address attainment gaps that exist in the student population shaped by class, ethnicity and age. Part of the implementation of the Access and Participation Strategy, the University has improved the equality of opportunity for underrepresented groups and has implemented a series of initiatives such as: *Amity Graduate Loyalty Scheme; Entrepreneurship Club and Business Support; Digital Skills Club; Amity Internship Programme*. The development of work experience opportunities for students, including taster days and work placements will continue to be a priority for the University as it seeks to build on its already strong position in highly skilled graduate employment outcomes.

Our interdisciplinary approach to research and teaching and our investment in resources have helped form an empowered community of staff and students who are making a real contribution to creating a fairer and more sustainable world. As a result of our research-led education, our students leave the University with important intellectual capabilities, enhanced employment skills and the capacity for independent learning and problem solving.

The University is continuing to focus on developing graduates who are able to thrive in a complex and rapidly changing world. The University's aim is that students become the type of graduate most valued by employers: i.e. confident, critical thinkers, adaptable, open to new ideas, able to work well with people from all walks of life, and with first class communication skills. Student employment outcomes, for both UG and PG graduates, for the past academic year, is 100%. This figure exceeds the national benchmark of 59% (undergraduates) and 66% (postgraduates), as provided by HESA.

### Research

The University continues to recognise the underpinning importance of disciplinary excellence while providing an environment that promotes cross disciplinary collaboration. By establishing interdisciplinary research themes, we have developed a distinctive capacity for tackling complex challenges of global significance. Through targeted senior academic research appointments and investment in research resources, we have developed an environment where we provide our researchers with the freedom to investigate problems of significance, whether their work be curiosity-driven or challenge-led.

During this academic year we officially opened our *Research Centre for Economic Innovation and Investment* working together in a close collaboration with Deloitte. Partners are critical to achieving our goals, and we commit to further strengthening our collaborations: working with industry to translate our innovative ideas into real-world benefits; informing decision-makers to influence policy; and disseminating information to our local community.

# AMITY GLOBAL EDUCATION LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### People and values

Amity is committed to continuing to attract and retain people of highest quality by providing an environment that is open, secure and safe and where there is a guarantee for academic freedom and equal opportunities for all.

In the past year we have put emphasis on a few areas of progress: broadening our learning and developing career development, working more closely with our colleagues from other universities and industry, removing barriers from collaborative working while simplifying our processes and investigating ways of introducing more flexible ways of working. The COVID-19 pandemic meant that without notice, the whole institution was switched in a few days from the normal operating mode to one where everyone was working flexibly from home. The rapid change was possible due to the resilience, enthusiasm and hard work of all staff.

Currently, 95% of teaching staff hold recognised higher education teaching qualifications awarded by the Higher Education Academy (Advance HE). The University has also committed to support academic staff with pursuing externally accredited academic professional development programmes. These programmes support academics new to teaching as well as colleagues looking to apply for more senior level roles and provide a wide range of continuous professional development aimed at addressing the challenges of higher education learning and teaching at the University today.

The University is committed to delivering equality of opportunity to all its employees regardless of their gender or other protected characteristics. We are committed to a policy of equal opportunities for disabled staff and students and aim to create an environment enabling staff to participate fully in University life.

We will continue to employ highly talented individuals in all of our academic roles and in professional services support roles who are totally committed to providing an excellent experience to all our students.

### **Principal risks and uncertainties**

The University follows good practice in considering risk appetite in the context of the University's academic mission, seeking to ensure an appropriate balance between risk aversion and opportunity capture. The business risk-management approach identifies and appraises risks and opportunities in a systematic manner and is integrated and embedded within the University's strategic planning, investment decision-making, and operational management processes.

The University's approach is to minimise its exposure to reputational, compliance and financial risk, while accepting a degree of risk in pursuit of its mission and objectives. It recognises that its appetite for risk varies according to the activity undertaken but that controlled risk-taking enables the taking advantage of opportunities to generate further value. The University Risk Register is formally reviewed and updated regularly by the Audit and Risk Committee and approved by the University's Governing Body.

The University's principal financial risks and uncertainties, while broadly consistent over the years, include some key strategic risk areas that have been identified as follows:

**Financial sustainability:** significant changes in the higher education business environment threaten long-term growth, and the institution's future financial sustainability.

*Actions to mitigate the risk;* the University has established a Strategic Working Group to identify the actions needed to mitigate the impact of the changes in the HE environment and to identify other sources of income.

**Brexit:** Continued uncertainty related to Brexit and associated political challenges, carry high implications in securing student recruitment and research funds.

*Actions to mitigate the risk:* The University's Strategic Working Group reviews and develops ways to mitigate the Brexit impact and to ensure the University maintains its position as the external environment changes. Specifically, Amity University [in] London has developed a plan to support immigration costs for compliance with the new Immigration rules and focused in strengthening the relationship with industry to develop industrial research collaborations, designed to find practical solutions in response to industry needs.



# AMITY GLOBAL EDUCATION LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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**Challenge to attract the best academic and professional staff:** through a failure to compete with escalating levels of reward, and high residential and other costs of living in the London area.

*Actions to mitigate the risk:* The University continues to review and enhance its remuneration offer considering pension and pay as a key component of a competitive employment package. The University is also introducing a defined benefits package to provide both employer and staff with better value for money and provide more flexibility in working hours.

**Legal /regulatory and compliance requirements:** failure to follow government regulations, OfS requirements, or to develop policies and processes adequately, could lead to failure to comply with legal and regulatory requirements.

*Actions to mitigate the risk:* The University is developing and implementing a new oversight process to provide an increased assurance that it is complying with all requirements.

**Changes to UK immigration regulations:** failure to develop and implement adequate policies and procedures to comply with the new regulations leading to financial and legal penalties, reputational damage and loss of international students.

*Actions to mitigate the risk:* The University Compliance Team regularly reviews policies and procedures connected with the University's UKVI licence and ensures full compliance.

**Significant data breach:** failure to comply with GDPR, or major information security event (cyber security) leading to loss of confidential/commercially sensitive information or failure of IT infrastructure.

*Actions to mitigate the risk:* The University commits to reviewing its Cyber Security Strategy to deliver enhanced security controls across the University and to ensure these are up to date with the current digital threats.

**Strategic transformation and change:** failure to implement and achieve strategic targets leading to loss of institutional reputation and financial loss.

*Actions to mitigate the risk:* The University's Strategic Working Group ensures the development of comprehensive forward-planning and provision of human and financial resources, and monitoring and evaluation of individual projects.

**Student recruitment:** failure to secure the targets of home and international students leading to the loss of financial income.

*Actions to mitigate the risk:* The University will continue to support student success and to invest in brand and marketing to communicate Amity University [in] London values and optimise opportunities. In particular, these steps will seek to rebalance historical reliance on Indian study abroad students by focusing attention on home undergraduate and postgraduate recruitment.

**Loss of access to student facilities secured from Birkbeck, University of London:** restricted continuing availability if the provider's circumstances change or if associated costs became prohibitive.

*Actions to mitigate the risk:* The University strives to maintain a sound, commercially acceptable working arrangement with Birkbeck, and will keep abreast of the availability of relevant alternatives, as well as considering longer term investment in its own equivalent facilities.

# AMITY GLOBAL EDUCATION LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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**Inability to maintain long term investment and confidence of the financial guarantor:** failure to secure the long-term financial sustainability leading to erosion of financial health that enforces cuts in the budget to meet operational requirements, which automatically affects academic and research resourcing.

*Actions to mitigate the risk:* The University continues to explore new revenue streams, enhance and modernise internal processes to seek cost efficiencies, particularly in the light of investment in new systems and digital innovation, and to ensure that all commitments made by the University are supported. We will optimise new opportunities in selecting new markets and developing new partnerships with industry and we will continue to focus on transparency of resources used and their value-generating capacity. The Governing Body is taking active steps to gain assurance that the relationship with the financial guarantor, via Amity Global Education Limited remains sound and mutually beneficial over the medium to long term.

# AMITY GLOBAL EDUCATION LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### Financial key performance indicators

The University had income of £3,439,106 (2019: £1,524,284) for the year. Income is derived principally from student fees and the results reflect the increase in overseas students on exchange programmes. Turnover also includes fees from home PhD and MBA programmes. Following the University's registration with the OfS fee income from home and EU students is expected to increase.

Administration costs remain a focus for control with the no significant increase in costs aside from legal and professional fees. The company has generated a profit before tax of £2,222,986 compared to £480,912 the previous year. The increase in profit reflecting the additional fees generated by overseas students in the year under review. It is anticipated that this income will fall in 2020/21 as a result of the pandemic.

The company's balance sheet at 31 March 2020 reflects the increase in profitability. Given the way that courses are run utilising the facilities at Birkbeck and University of London, the company has a low level of fixed assets and fixed overheads. Fixed assets are shown at an amount of £6,755 (2018: £8,444). The balance sheet reflects the trading position with group companies and external parties with net assets of £3,138,231 reflecting share capital of £1,001,000 and retained earnings of £2,137,231.

The company is in a good position to continue to develop the University in the year ahead.

### Key performance indicators

The company's key performance indicator remains earnings before interest, depreciation and tax. This was £2,224,708 compared to £495,990 in 2019.

### Other key performance indicators

The other KPI is the number of students on roll. There were 691 students who attended an exchange programme in 2019/20 compared to 723 in the previous year. The decrease was due to a fall in the number of students in the January 20 period primarily due to the outbreak of COVID. The increase in income generated was the result of higher academic fees charged by the University for those programmes.

### Conclusion

The University recognises that its risk appetite will change continuously over time as a response to changing circumstances. Effective risk management is about ensuring that all significant relevant risks are understood and prioritised as part of normal management practices to increase the probability of successful outcomes while protecting the reputation and sustainability of the University.

The outlook for the University remains positive underpinned by a strong financial position and a pipeline of strategic investments by the University's financial guarantor, Amity Global Education Limited, despite the presence of risk and uncertainty. Financial sustainability is a key component of the University Strategy. Amity University [in] London will continue to review all activities to ensure they are sustainable, affordable and fit for purpose.

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



**Atul Chauhan**  
Director

Date: 23/11/20

# AMITY GLOBAL EDUCATION LIMITED

## STATEMENT OF GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 MARCH 2020

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The following statement is intended to provide an understanding of the governance and internal control applicable to Amity University [in] London. The University is a private higher education institution regulated by the Office for Students (OfS) in its capacity as principal Regulator.

The university has a public interest duty to conduct its affairs in transparent and responsible ways, in accordance with the Nolan principles, to meet the regulatory requirements of statutory bodies and to comply with the Higher Education Code of Governance published by the Committee of University Chairs.

### **Governance**

Amity University [in] London's governance is institutionalised through the application of clearly defined functions and responsibilities as follows:

**Amity University [in] London's Governing Body (AGB)** is responsible for the mission, character and reputation of the institution at a strategic level. AGB is responsible for the effective oversight and scrutiny of the management of the University and planning its future development. Facilitated by the University's external auditors, Blick Rothenberg Audit LLP, working in consultation with the Directors of the parent body – Amity Global Education Limited, the University's financial guarantor – AGB takes an active interest in the institution's solvency and the safeguarding of its assets. AGB comprises individuals who have significant experience at senior level both within the higher education sector and within industry and commerce. A majority of the members of AGB, including the Chair, are drawn from outside the University. Complementing these independent members, AGB membership includes the University's Principal/Accountable Officer and the President of the Student Union.

Amity University [in] London's Academic Board (AAB) is the academic authority of the University, whose role is to oversee the teaching and research of the University, be responsible for academic quality and standards, and for the admission and regulation of students on behalf of the Governing Body. Chaired by the Principal, its membership is drawn mainly from the academic staff of the University and also includes student representatives. The Academic Board reports to AGB and is required to provide assurance to AGB that academic governance is effective.

Amity University [in] London's established governance structure is a key element of its internal quality assurance and sustainability framework. The governance structure maintains a clear distinction between executive and deliberate structures with both being accountable to AGB.

### **Academic and Executive Leadership**

The Principal is the University's Chief Executive Officer and principal academic officer. The Principal is also the Accountable Officer for purposes of the Higher Education and Research Act 2017.

Under power delegated by AGB, the Principal has a key role in the development of the institutional strategy, planning new developments and development of the institutional culture. A university executive team, comprising senior academic and professional staff is appointed by and acts in an advisory capacity to the Principal. Ultimate responsibility for the management of the University and conduct of its business rests with AGB.

### **AGB and its committees**

AGB meets at least quarterly over the course of a calendar year. Reflective of the scale of Amity University [in] London's current operations, when members are assembled AGB will reconstitute itself at appropriate times to review business and make decisions under the rubric of three committees: (1) a Nominations and Remuneration Committee, providing oversight of senior appointments and their remuneration; (2) a Financial Committee, focusing on financial sustainability; and (3) an Audit and Risk Committee, assuring oversight and challenge in respect of financial and strategic risk management. When meeting to discharge the committees' formally constituted functions, membership is exclusively independent of executive management to ensure the proper separation of powers necessary to comply with corporate governance best practice.

# AMITY GLOBAL EDUCATION LIMITED

## STATEMENT OF GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 MARCH 2020

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The functions of the *Nominations and Remuneration Committee*, which meets at least once a year, include overseeing and making recommendations to the AGB on the appointment of its members and their functions, as well as of senior executive staff, taking into account skills and experience. It also determines the remuneration of the most senior academic and academic related staff, including the Principal. It seeks to ensure the promotion of equality and diversity and inclusion, reflecting both the diversity of society and the needs of the University. The committee, like AGB, operates in accordance with the CUC Higher Education Code of Governance.

The *Financial Committee* provides detailed scrutiny on behalf of AGB on matters concerning the operation and financial sustainability of the University. It meets at least three times per year and recommends the annual revenue, capital budget and monitors performance against budget during the year. In cooperation with the Audit and Risk Committee, the Financial committee recommends to AGB the University's Financial Statements for approval, annual review, budget monitor the execution of financial policies adopted.

The *Audit and Risk Committee* meets at least three times a year, with the University's external auditors in attendance. It ensures detailed scrutiny on behalf of AGB on matters concerning the operation and financial sustainability of the University, and recommends the annual capital investment and revenue budgets, monitoring performance against budget during the year. The committee recommends to AGB the University's Annual Review and Financial Statements for approval, and execution of financial policies sanctioned by AGB. The Committee considers detailed reports together with recommendations for the improvement of the University's systems of internal control, and management's responses and implementation plans. The Audit and Risk Committee oversees work by the University's external auditor to prepare an Annual Report for approval of AGB. It also receives and considers reports from external bodies that affect the University's business and monitors adherence to the regulatory requirements, making recommendations for approval by AGB. The Audit committee is responsible for making recommendations to AGB on the appointment of both internal and external auditors to the University. It operates in accordance with the CUC Higher Education Code of Governance.

Reflecting corporate governance best practice, AGB and its committees undertake an annual appraisal of their effectiveness.

### **Statement of internal control**

Within the University, AGB has the responsibility for maintaining a robust system of internal control that supports the achievements of the University's strategic objectives, and policies while making every reasonable endeavour to safeguard the public and other funds and assets in accordance with the responsibilities assigned in the regulatory framework for Higher Education in England and under the Office for Students (OfS) Terms and Conditions of funding for higher education institutions.

AGB's assurance about the effectiveness of the system of risk and internal control is informed by the work of the senior executive management team within the University, led by the Principal, who have responsibility for the development and maintenance of the internal control framework, scrutinised by the Audit and Risk Committee reporting in turn to AGB. Also, by comments made by the external auditors in their management letter associated with the annual audit.

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, provide only reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically.

The University's approach is to minimise exposure to reputational, compliance and financial risk, while accepting a degree of managed risk in pursuit of its mission and objectives. It recognises that the appetite for risk varies according to activity undertaken but that controlled risk-taking enables the University to take advantage of opportunities to generate further value for its stakeholders. The University maintains a Risk Register which is formally reviewed and updated regularly by the Audit and Risk Committee and approved by AGB.

The system of internal control has been in place throughout the year ended 31 March 2020 and up to the date of approval of the financial statements and is consistent with OfS guidance.

# AMITY GLOBAL EDUCATION LIMITED

## STATEMENT OF GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 MARCH 2020

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The key elements of the internal risk control system, designed to discharge responsibilities set out above, include the following processes:

1. Consideration at AGB quarterly meetings of the strategic direction, plans and performance of the institution.
2. Clear definitions of responsibilities of, and the authority delegated to, senior academic and professional staff.
3. Comprehensive financial regulations associated with financial controls and procedures approved by AGB.
4. Application of the University's Risk Management Strategy that is embedded in all its operational processes. Senior academic and professional staff contribute on a regular basis to the identification and mitigation of the risks which are incorporated in the Risk Register.
5. Actions by the University's Strategic Risk Working Group, chaired by the Principal, which reports to AGB via the Audit and Risk Committee. The University Executive Team receives reports on the action taken on institution-level risks along with suggestions on amendments to the risk register.
6. Maintenance of a Risk Assessment Matrix based on risk ranking.
7. Maintenance of a University Risk Register covering corporate level risks, including the ability to comply with all OfS conditions of registration.
8. Regular reviews of student recruitment, academic performance and financial results involving variance reporting and updates to the projected financial outturns.
9. A short-and medium-term planning process supplemented by details of annual income, capital and revenue expenditure, and cash flows.
10. Constant review of the University's policies, procedures and power delegated by AGB to other bodies and individuals.
11. Preparation by the University's internal audit team of a report on internal activity and the effectiveness of the internal control system, for scrutiny and approval by the Audit and Risk Committee. This report is formally presented for endorsement by AGB. The University Internal Audit team operates in accordance with standards defined by the OfS Audit Code of Practice.
12. Review of the effectiveness of the system of internal control informed by the work of Internal Audit and by the University's Accountable Officer, who has responsibility for the development and maintenance of the internal control framework. This review is supplemented by comments made by the external auditors in their management letter and other reports.

AGB has taken reasonable steps to: (a) ensure that there are appropriate financial and management controls in place to safeguard funds from all sources, subject to necessary ongoing enabling action by the University's financial guarantor; (b) safeguard the University assets and prevent and detect fraud; (c) secure the efficient and effective management of the University's resources; and (d) in cooperation with the Directors of Amity Global Education Limited ensure that funds from OfS are used only for the purposes they have been granted in accordance with the existing regulations and legislation. AGB oversees preparation of an annual report and accounts to be presented to the Directors of Amity Global Education Limited, the University's parent body and financial guarantor, which in turn lodges an annual report and accounts with Companies House. In addition to which the financial statement is presented to meet OfS requirements.

The University will undertake a review of its governance during the 2020-21 annual academic and financial cycle, to ensure that it is fit for purpose and will support the effective delivery of the current University Strategic Plan and inform the Plan in preparation for the forthcoming five-year period. The review will include an audit against any future iteration of the CUC Higher Education Code of Governance, as well as any relevant regulatory or legislative changes having effect from the time of the production of this report.

# AMITY GLOBAL EDUCATION LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

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The directors present their report and the financial statements for the year ended 31 March 2020.

### Principal activity

The principal activity of the company is the provision of educational courses to university students.

### Directors

The directors who served during the year were:

Atul Chauhan  
Aseem Chauhan

### Disclosure of information to auditor

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

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

### Small companies exemptions

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



**Atul Chauhan**  
Director

Date: 23/11/20

# **AMITY GLOBAL EDUCATION LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2020**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# AMITY GLOBAL EDUCATION LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMITY GLOBAL EDUCATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020

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### Opinion

We have audited the financial statements of Amity Global Education Limited (the 'company') for the year ended 31 March 2020, which comprise the profit and loss account, the balance sheet, the statement of cash flows, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 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 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 report. We are independent of the company in accordance with the ethical requirements that are relevant to audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled 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 opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **AMITY GLOBAL EDUCATION LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMITY GLOBAL EDUCATION LIMITED (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020**

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in report, we do not express any form of assurance conclusion thereon.

In connection with audit of the financial statements, responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

### **Opinion on other matters required by the Office for Students (OfS) Audit Code of Practice**

In our opinion, in all material respects:

- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- funds provided by OfS have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them; and
- The requirements of the OfS's Accounts Direction have been met.

# AMITY GLOBAL EDUCATION LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMITY GLOBAL EDUCATION LIMITED (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for 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 audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 14, 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.

# AMITY GLOBAL EDUCATION LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMITY GLOBAL EDUCATION LIMITED (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### 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 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 responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of auditor's report.

### Use of report

This report is made solely to the company's members 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 for audit work, for this report, or for the opinions we have formed.



Mark Hart (senior statutory auditor)

for and on behalf of

**Blick Rothenberg Audit LLP**

Chartered Accountants  
Statutory Auditor

16 Great Queen Street  
Covent Garden  
London  
WC2B 5AH

Date:

# AMITY GLOBAL EDUCATION LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

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		2020 £	2019 £
Turnover	3	3,439,106	1,524,284
Cost of sales		(354,917)	(312,908)
<b>Gross profit</b>		<b>3,084,189</b>	<b>1,211,376</b>
Administrative expenses		(861,170)	(730,453)
<b>Operating profit</b>	4	<b>2,223,019</b>	<b>480,923</b>
Interest payable and similar expenses	6	(33)	(11)
<b>Profit before tax</b>		<b>2,222,986</b>	<b>480,912</b>
Tax on profit	7	(422,300)	(66,118)
<b>Profit for the financial year</b>		<b>1,800,686</b>	<b>414,794</b>

There are no items of other comprehensive income for either the year or the prior year other than the profit for the year. Accordingly, no statement of other comprehensive income has been presented.

**AMITY GLOBAL EDUCATION LIMITED****BALANCE SHEET  
AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	8	6,755	8,444
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	9	116,250	116,250
Debtors: amounts falling due within one year	9	5,564,892	2,602,077
Cash at bank and in hand	10	313,403	643,439
		<u>5,994,545</u>	<u>3,361,766</u>
Creditors: amounts falling due within one year	11	(2,863,069)	(2,032,665)
<b>Net current assets</b>		<u>3,131,476</u>	<u>1,329,101</u>
<b>Total assets less current liabilities</b>		<u>3,138,231</u>	<u>1,337,545</u>
<b>Net assets</b>		<u><u>3,138,231</u></u>	<u><u>1,337,545</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	501,000	501,000
Share premium account	13	500,000	500,000
Profit and loss account	13	2,137,231	336,545
<b>Total equity</b>		<u><u>3,138,231</u></u>	<u><u>1,337,545</u></u>

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

**Atul Chauhan**  
Director

Date: 23/4/20

The notes on pages 23 to 34 form part of these financial statements.

# AMITY GLOBAL EDUCATION LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

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	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 April 2018</b>	<b>501,000</b>	<b>500,000</b>	<b>(78,249)</b>	<b>922,751</b>
Profit for the financial year	-	-	414,794	414,794
<b>At 31 March 2019 and 1 April 2019</b>	<b>501,000</b>	<b>500,000</b>	<b>336,545</b>	<b>1,337,545</b>
Profit for the financial year	-	-	1,800,686	1,800,686
<b>At 31 March 2020</b>	<b>501,000</b>	<b>500,000</b>	<b>2,137,231</b>	<b>3,138,231</b>

# AMITY GLOBAL EDUCATION LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,800,686	414,794
<b>Adjustments for:</b>		
Depreciation of tangible assets	1,689	15,067
Interest paid	33	11
Taxation charge	422,300	66,118
Increase in debtors	(85,363)	(787,791)
Increase in amounts owed by groups	(2,877,452)	(597,903)
Increase/(Decrease) in creditors	17,472	(355,654)
Increase in amounts owed to groups	456,750	1,751,194
Corporation tax paid	(66,118)	-
<b>Net cash (used in)/ generated from operating activities</b>	<b>(330,003)</b>	<b>505,836</b>
<b>Cash flows from financing activities</b>		
Interest paid	(33)	(11)
<b>Net cash used in financing activities</b>	<b>(33)</b>	<b>(11)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(330,036)</b>	<b>505,825</b>
Cash and cash equivalents at beginning of year	643,439	137,614
<b>Cash and cash equivalents at the end of year</b>	<b>313,403</b>	<b>643,439</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	313,403	643,439
	<b>313,403</b>	<b>643,439</b>



# AMITY GLOBAL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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### 1. General information

The principal activity of the company is the provision of educational courses to university students.

The company is a private company limited by shares and is incorporated and registered in England and Wales. The address of its principal place of business is 24 Bedford Square, London, WC1B 3HN.

The financial statements are presented in Sterling (£).

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006, FEHE SORP 2015 and OfS Regulatory advice 9: Accounts direction.

The following principal accounting policies have been applied:

#### 2.2 Going concern

The directors of the company and Board of Governors of the university are closely monitoring developments regarding Covid-19. The university attracts a number of students from overseas, and restrictions placed on travel and necessary changes to teaching methods may deter new students from joining in the FY21 academic year or reduce the number of foreign exchange students coming to the UK. Notwithstanding this inherent uncertainty regarding future student numbers and its impact on fee income, the university has successfully implemented measures to ensure courses can continue to run in line with government guidance on health and safety. The company has received a letter of support from its parent company confirming its intention to support the company for a period of at least twelve months from the date of approval of these financial statements. After making enquiries, the directors have reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

#### 2.3 Revenue

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

Revenue represents tuition fees in relation to courses delivered during the year and is recognised evenly over the period of the relevant courses. Amounts invoiced for the courses which will be provided in future periods are held at the balance sheet date within deferred income. Where tuition has been provided to funded students but the funding has not yet been received the income is recognised as accrued income.

#### 2.4 Tangible fixed assets

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

# AMITY GLOBAL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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### 2. Accounting policies (continued)

#### 2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Short-term leasehold property	- Over the term of the lease
Fixtures, fittings and equipment	- 20% on the reducing balance basis

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

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

#### 2.5 Operating leases

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

#### 2.6 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes 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.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

##### Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances and intercompany working capital balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

##### Financial liabilities

Basic financial liabilities, including trade and other creditors and balances with fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

# AMITY GLOBAL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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### 2. Accounting policies (continued)

#### 2.6 Financial instruments (continued)

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### **Impairment of financial assets**

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 and financial liabilities**

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### **Offsetting of financial assets and financial liabilities**

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

#### 2.7 Share capital

Ordinary shares are classified as equity.

# AMITY GLOBAL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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### 2. Accounting policies (continued)

#### 2.8 Foreign currency translation

##### Functional and presentation currency

The company's functional and presentational currency is Sterling (£).

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'interest receivable or payable'. All other foreign exchange gains and losses are presented in the profit and loss account within 'administrative expenses'.

#### 2.9 Pensions

##### Defined contribution pension plan

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

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

#### 2.10 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

# AMITY GLOBAL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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### 2. Accounting policies (continued)

#### 2.11 Current and deferred taxation

Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 3. Turnover

All turnover relates to the company's sole primary activity.

Analysis of turnover by country of destination:

	<b>2020</b>	2019
	£	£
United Kingdom	<b>413,421</b>	89,995
Rest of the world	<b>3,025,685</b>	1,434,289
	<b><u>3,439,106</u></b>	<u>1,524,284</u>

# AMITY GLOBAL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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### 4. Operating profit

The operating profit is stated after charging:

	2020	2019
	£	£
Depreciation of tangible fixed assets	1,689	15,067
Fees payable to the company's auditor for the audit of the company's financial statements	20,000	16,604
Fees payable to the company's auditor for taxation services	3,300	1,860
Fees payable to the company's auditor for other services	6,000	3,316
Other operating lease rentals	217,936	189,290
Defined contribution pension scheme cost	5,056	2,663
	<u>239,081</u>	<u>228,700</u>

During the year, no director received any emoluments (2019 - £NIL).

### 5. Employees

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

	2020	2019
	£	£
Staff salaries	249,420	229,398
Social security costs	24,177	22,554
Pension costs	5,056	2,663
	<u>278,653</u>	<u>254,615</u>

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

	2020	2019
	No.	No.
Average number of employees	<u>6</u>	<u>7</u>

There were no staff (2019: 0) with a basic salary of over £100,000 in the year.

# AMITY GLOBAL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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### 5. Employees (continued)

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

	2020 £	2019 £
Basic salary	89,028	89,028
Pension contributions	2,550	1,700
	<u>91,578</u>	<u>90,728</u>

The head of the provider's basic salary is 3.5 (2019: 3.0) times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The head of the provider's total remuneration is 3.5 (2019: 3.0) times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

### 6. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	<u>33</u>	<u>11</u>

### 7. Taxation

	2020 £	2019 £
Current tax on profits for the year	422,300	66,118
<b>Total current tax</b>	<u>422,300</u>	<u>66,118</u>

# AMITY GLOBAL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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### 7. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 -lower than) the standard rate of corporation tax in the UK of 19.0% (2019 -19.0%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<b>2,222,986</b>	480,912
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2019 -19.0%)	<b>422,367</b>	91,373
<b>Effects of:</b>		
Capital allowances for year in excess of depreciation	<b>(67)</b>	2,389
Utilisation of tax losses	-	(27,644)
<b>Total tax charge for the year</b>	<b>422,300</b>	66,118

#### Factors that may affect future tax charges

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020.



# AMITY GLOBAL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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### 8. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 April 2019	51,824	69,375	121,199
At 31 March 2020	<u>51,824</u>	<u>69,375</u>	<u>121,199</u>
<b>Depreciation</b>			
At 1 April 2019	51,824	60,931	112,755
Charge for the year on owned assets	-	1,689	1,689
At 31 March 2020	<u>51,824</u>	<u>62,620</u>	<u>114,444</u>
<b>Net book value</b>			
At 31 March 2020	<u>-</u>	<u>6,755</u>	<u>6,755</u>
At 31 March 2019	<u>-</u>	<u>8,444</u>	<u>8,444</u>

# AMITY GLOBAL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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### 9. Debtors

	2020 £	2019 £
<b>Due after more than one year</b>		
Other debtors	<b>116,250</b>	116,250
	<u>116,250</u>	<u>116,250</u>
	2020 £	2019 £
<b>Due within one year</b>		
Amounts owed by group undertakings	<b>5,373,044</b>	2,495,592
Other debtors	<b>16,185</b>	16,000
Prepayments and accrued income	<b>175,663</b>	90,485
	<u>5,564,892</u>	<u>2,602,077</u>

### 10. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<b>313,403</b>	643,439
	<u>313,403</u>	<u>643,439</u>

### 11. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	<b>157,135</b>	165,712
Amounts owed to group undertakings	<b>2,207,944</b>	1,751,194
Corporation tax	<b>422,300</b>	66,118
Other taxation and social security	<b>7,280</b>	9,576
Other creditors	-	3,109
Accruals and deferred income	<b>68,410</b>	36,956
	<u>2,863,069</u>	<u>2,032,665</u>

# AMITY GLOBAL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 12. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
501,000 (2019 -501,000) Ordinary shares of £1.00 each	<b>501,000</b>	501,000

### 13. Reserves

#### Share premium account

The share premium reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issue of shares are deducted from share premium.

#### Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

### 14. Commitments under operating leases

At 31 March 2020 the company had future minimum lease payments of £1,734,375 under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	<b>185,000</b>	185,375
Later than 1 year and not later than 5 years	<b>740,000</b>	740,000
Later than 5 years	<b>809,375</b>	994,375
	<b>1,734,375</b>	1,919,750

### 15. Analysis of net debt

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	<b>643,439</b>	<b>(330,036)</b>	<b>313,403</b>
	<b>643,439</b>	<b>(330,036)</b>	<b>313,403</b>

# AMITY GLOBAL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 16. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking is Amity Global Varsity Private Limited, a company incorporated in India and the registered office of which is E-27, Defence Colony, New Delhi, 110024, India. The directors are not aware of any ultimate controlling party. Consolidated financial statements are prepared but are not available to the public.

### 17. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

Transactions with (other) related parties are as follows:

Relationship	Transaction	Amount		Amount due (to)/from related parties	
		2020 £	2019 £	2020 £	2019 £
Fundatia Amity Romania (common control)	Working capital	-	-	<b>136,089</b>	136,089
Amity Global Education, Netherlands (common control)	Working capital	<b>3,686,202</b>	1,099,652	<b>5,236,955</b>	1,550,753
Amity University, Uttar Pradesh (common control)	Net income	<b>(1,118,900)</b>	1,523,250	<b>(441,000)</b>	748,000
Amity University, Haryana (common control)	Net income	<b>(3,500)</b>	8,750	-	3,500
Amity University, Lucknow (common control)	Net income	<b>(18,250)</b>	21,500	-	18,250
Amity University, Mumbai (common control)	Net income	<b>(16,250)</b>	16,250	-	16,250
Amity University, Madhya Pradesh (common control)	Net income	<b>(3,250)</b>	3,250	-	3,250
Amity University, Dubai (common control)	Net income	<b>(19,500)</b>	19,500	-	19,500
Amity University, Uttar Pradesh (common control)	Working capital	-	-	<b>(1,099,652)</b>	(1,099,652)
Amity University, Rajasthan (common control)	Net income	<b>5,250</b>	-	-	-

Amounts owed to related parties are unsecured, interest free and due for repayment within one year.

AMITY GLOBAL EDUCATION LIMITED  
DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2020

**These pages do not form part of the financial statements**

# AMITY GLOBAL EDUCATION LIMITED

## DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

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	2020 £	2019 £
Turnover	3,439,106	1,524,284
Cost of sales	(354,917)	(312,908)
<b>Gross profit</b>	<u>3,084,189</u>	<u>1,211,376</u>
<b>Less: overheads</b>		
Administrative expenses	(861,170)	(730,453)
<b>Operating profit</b>	<u>2,223,019</u>	<u>480,923</u>
Interest payable	(33)	(11)
<b>Profit for the year</b>	<u><u>2,222,986</u></u>	<u><u>480,912</u></u>

# AMITY GLOBAL EDUCATION LIMITED

## SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

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	2020 £	2019 £
<b>Turnover</b>		
Tuition fees - Rest of the world	3,025,685	1,434,289
Tuition fees - UK	413,421	89,995
	<u>3,439,106</u>	<u>1,524,284</u>
	2020 £	2019 £
<b>Cost of sales</b>		
Tutors and teaching staff	226,843	211,443
Classroom hire	22,917	14,430
Accommodation fees	6,375	-
University fees	68,939	56,663
Student tours	29,843	30,372
	<u>354,917</u>	<u>312,908</u>

# AMITY GLOBAL EDUCATION LIMITED

## SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
<b>Administrative expenses</b>		
Staff salaries	249,420	229,398
Staff national insurance	24,177	22,554
Staff pension costs	5,056	2,663
Staff welfare	794	1,916
Travel and subsistence	651	2,831
Printing and stationery	23,502	23,993
Telephone	11,370	11,129
Computer costs	1,859	1,833
Advertising and promotion	1,494	8,001
Trade subscriptions	17,627	18,171
Charity donations	2,000	-
Legal and professional	140,617	23,154
Auditor's remuneration	25,320	17,384
Accountancy fees	21,400	16,800
Bank charges	726	767
Rent	211,561	189,290
Rates	77,716	80,130
Light and heat	17,881	12,713
Cleaning	12,158	12,691
Insurances	6,871	17,585
Repairs and maintenance	7,281	22,383
Depreciation	1,689	15,067
	<u>861,170</u>	<u>730,453</u>
	2020 £	2019 £
<b>Interest payable</b>		
Bank overdraft interest payable	<u>33</u>	<u>11</u>