

COMPANY REGISTRATION NUMBER: 04293041

British Institute of Technology Ltd

Financial Statements

For the Year Ended 31 December 2022

ASHFORD LOUIS

Chartered Certified Accountants & Statutory Auditors

187 High Road Leyton

London

E15 2BY

British Institute of Technology Ltd

Financial Statements

Year ended 31 December 2022

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British Institute of Technology Ltd

Directors' Report

Year ended 31 December 2022

The directors present their report and the financial statements of the company for the year ended 31 December 2022.

Principal activities

The principal activity of the company during the year was providing higher education and research.

Business Review

The Institute has submitted its application to register with the OfS (Office for Students) after conducting an internal review of the points raised on the Institute's previous application. The new application was accepted by the OfS and the Institute is dealing with queries and responses from the OfS. The Institute has not been informed when a decision will be made, however the Institute has put in contingency measures in place should the OfS registration is not achieved in time for a September 2023 start.

Financial Review

BITE has demonstrated that it can manage its overheads and resources effectively by bringing together the provision of quality higher education and research at its university centre.

Going concern

The company's financial statements have been prepared on a going concern basis. The Director has considered the factors that impact the company's future developments, performance, cash flow and financial position along with the company's current liquidity in forming his opinion on the going concern basis. Thus, BITE continues to adopt the going concern basis of accounting in preparing the annual financial statements. The director is willing to assist in supporting BITE's short term cashflow as needed.

Risks

Across the Higher Education sector there has been a drop in student numbers. This has been for three principal reasons:

1. Student choice of blended learning throughout the pandemic
2. The impact of the economy
3. High skilled employment

Credit and Interest Rate Risks

The director has reviewed both credit and interest rate risks in 2022 and confirms that the company is meeting its obligations.

Environmental Review

The Company continues to ensure that environmentally friendly and recycled materials and processes are used in the business wherever possible. This includes students' course materials and packaging which are sourced from accredited stock.

Social

BITE has donated over £15,543 to charitable organisation including support of underprivileged students, local communities and reaching out charities.

British Institute of Technology Ltd

Directors' Report *(continued)*

Year ended 31 December 2022

Directors

The directors who served the company during the year were as follows:

Professor Muhammad Farmer

Professor Dominic Palmer-Brown

Sir Graeme John Davies – Deceased during the year

Dividends

The director does not recommend the payment of a dividend in 2022.

Directors' responsibilities statement

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent.

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.

Auditor

- so far as they are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditors, Ashford Louis, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

British Institute of Technology Ltd

Directors' Report *(continued)*

Year ended 31 December 2022

This report was approved by the board of directors on 03/05/2023 and signed on behalf of the board by:



Professor Muhammad Farmer

Registered office:
252-256 Romford Road
London
United Kingdom
E7 9HZ

British Institute of Technology Ltd

Independent Auditor's Report to the Members of British Institute of Technology Ltd

Year ended 31 December 2022

Opinion

We have audited the financial statements of British Institute of Technology Ltd (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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.

British Institute of Technology Ltd

Independent Auditor's Report to the Members of British Institute of Technology Ltd *(continued)*

Year ended 31 December 2022

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. 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.

In connection with our audit of the financial statements, 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 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.

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

Matters on which we are required to report by exception

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

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

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

British Institute of Technology Ltd

Independent Auditor's Report to the Members of British Institute of Technology Ltd *(continued)*

Year ended 31 December 2022

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.

British Institute of Technology Ltd

Independent Auditor's Report to the Members of British Institute of Technology Ltd *(continued)*

Year ended 31 December 2022

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.

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 obtained an understanding of the legal and regulatory requirements applicable to the company.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We inquired from management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. We designed our audit procedures to identify instances of non-compliance throughout the audit and remained alert to instances of non-compliance throughout the audit.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. However, the primary responsibility for prevention and detection of fraud rests with both management and those charged with governance of the company.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
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British Institute of Technology Ltd

Independent Auditor's Report to the Members of British Institute of Technology Ltd *(continued)*

Year ended 31 December 2022

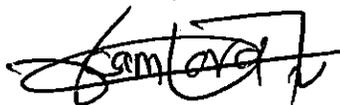
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



Hayford Doh (Senior Statutory Auditor)

For and on behalf of
Ashford Louis
Chartered Certified Accountants & Statutory Auditors
187 High Road Leyton
London
E15 2BY

Date:

03/05/2023

British Institute of Technology Ltd

Statement of Comprehensive Income

Year ended 31 December 2022

	Note	2022 £	2021 £
Turnover		1,038,060	1,064,499
Cost of sales		<u>279,312</u>	<u>345,899</u>
Gross profit		758,748	718,600
Administrative expenses		736,236	725,219
Other operating income		<u>11,551</u>	<u>27,501</u>
Operating profit		34,063	20,882
Other interest receivable and similar income		1,294	1,024
Interest payable and similar expenses		<u>10,640</u>	<u>–</u>
Profit before taxation	6	24,717	21,906
Tax on profit		<u>4,696</u>	<u>(4,968)</u>
Profit for the financial year and total comprehensive income		<u>20,021</u>	<u>26,874</u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 20 form part of these financial statements.

British Institute of Technology Ltd

Statement of Financial Position

31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	7	17,571,761	9,310,833
Other assets	8	–	8,300,000
		<u>17,571,761</u>	<u>17,610,833</u>
Current assets			
Debtors	9	1,027,020	1,041,559
Cash at bank and in hand		142,476	11,259
		<u>1,169,496</u>	<u>1,052,818</u>
Creditors: amounts falling due within one year	10	604,128	555,752
Net current assets		<u>565,368</u>	<u>497,066</u>
Total assets less current liabilities		18,137,129	18,107,899
Creditors: amounts falling due after more than one year	11	42,431	46,895
Provisions		<u>17,260</u>	<u>3,587</u>
Net assets		<u>18,077,438</u>	<u>18,057,417</u>
Capital and reserves			
Called up share capital		5,688,351	5,688,351
Capital redemption reserve		1,357,622	1,357,622
Other reserves		2,795,749	2,795,749
Profit and loss account		8,235,716	8,215,695
Shareholders funds		<u>18,077,438</u>	<u>18,057,417</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 03/05/2023 and are signed on behalf of the board by:



Professor Muhammad Farmer
Director

Company registration number: 04293041

The notes on pages 13 to 20 form part of these financial statements.

British Institute of Technology Ltd

Statement of Changes in Equity

Year ended 31 December 2022

	Called up share capital £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total £
At 1 January 2021	5,688,351	1,357,622	2,795,749	8,188,821	18,030,543
Profit for the year				26,874	26,874
Total comprehensive income for the year				26,874	26,874
At 31 December 2021	5,688,351	1,357,622	2,795,749	8,215,695	18,057,417
Profit for the year				20,021	20,021
Total comprehensive income for the year				20,021	20,021
At 31 December 2022	<u>5,688,351</u>	<u>1,357,622</u>	<u>2,795,749</u>	<u>8,235,716</u>	<u>18,077,438</u>

The notes on pages 13 to 20 form part of these financial statements.

British Institute of Technology Ltd

Statement of Cash Flows

Year ended 31 December 2022

	2022	2021
	£	£
Cash flows from operating activities		
Profit for the financial year	20,021	26,874
<i>Adjustments for:</i>		
Depreciation of tangible assets	70,420	53,162
Government grant income	–	(27,501)
Other interest receivable and similar income	(1,294)	(1,024)
Interest payable and similar expenses	10,640	–
Gains on disposal of tangible assets	(3,162)	–
Tax on profit	4,696	(4,968)
Accrued expenses	1,000	–
<i>Changes in:</i>		
Trade and other debtors	14,539	68,488
Trade and other creditors	40,013	86,420
Cash generated from operations	156,873	201,451
Interest paid	(10,640)	–
Interest received	1,294	1,024
Tax received/(paid)	4,925	(22,772)
Net cash from operating activities	<u>152,452</u>	<u>179,703</u>
Cash flows from investing activities		
Purchase of tangible assets	(8,332,619)	(14,120)
Proceeds from sale of tangible assets	4,433	–
Proceeds from sale of other investments	8,300,000	–
Net cash used in investing activities	<u>(28,186)</u>	<u>(14,120)</u>
Cash flows from financing activities		
Proceeds from borrowings	(4,464)	(257,463)
Repayments of borrowings	–	(3,105)
Government grant income	–	27,501
Payments of finance lease liabilities	11,415	–
Net cash from/(used in) financing activities	<u>6,951</u>	<u>(233,067)</u>
Net increase/(decrease) in cash and cash equivalents	131,217	(67,484)
Cash and cash equivalents at beginning of year	11,259	78,743
Cash and cash equivalents at end of year	<u>142,476</u>	<u>11,259</u>

The notes on pages 13 to 20 form part of these financial statements.

British Institute of Technology Ltd

Notes to the Financial Statements

Year ended 31 December 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 252-256 Romford Road, London, E7 9HZ, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102 Section 1A , 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for services rendered, net of discounts and Value Added Tax.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

British Institute of Technology Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Income tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Improvements to property	- 2% straight line
Fixtures and fittings	- 25% reducing balance
Motor vehicles	- 25% reducing balance

No provision is made for depreciation of Freehold property. This is a departure from the requirements of the Regulations, which require all properties to be depreciated, in the opinion of the Director, this is necessary for Financial Statement to show a true and fair view in accordance with applicable accounting standards. If this departure had not been made, the profit for the financial year would have been reduced by depreciation.

However, the amount of depreciation cannot reasonably be quantified and the amount which might otherwise have been shown cannot be separately identified or quantified.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

British Institute of Technology Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

British Institute of Technology Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

British Institute of Technology Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	<u>6,000</u>	<u>5,000</u>

5. Employee numbers

The average number of persons employed by the company during the year amounted to 10 (2021: 10).

6. Profit before taxation

Profit before taxation is stated after charging:

	2022	2021
	£	£
Depreciation of tangible assets	<u>70,420</u>	<u>53,162</u>

British Institute of Technology Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

7. Tangible assets

	Freehold property £	Improvements to Property £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2022	8,924,500	155,369	3,102,182	201,240	12,383,291
Additions	8,300,000	–	20,619	12,000	8,332,619
Disposals	–	–	(267)	(42,270)	(42,537)
At 31 December 2022	<u>17,224,500</u>	<u>155,369</u>	<u>3,122,534</u>	<u>170,970</u>	<u>20,673,373</u>
Depreciation					
At 1 January 2022	–	5,932	2,871,095	195,431	3,072,458
Charge for the year	–	3,108	62,860	4,452	70,420
Disposals	–	–	–	(41,266)	(41,266)
At 31 December 2022	<u>–</u>	<u>9,040</u>	<u>2,933,955</u>	<u>158,617</u>	<u>3,101,612</u>
Carrying amount					
At 31 December 2022	<u>17,224,500</u>	<u>146,329</u>	<u>188,579</u>	<u>12,353</u>	<u>17,571,761</u>
At 31 December 2021	<u>8,924,500</u>	<u>149,437</u>	<u>231,087</u>	<u>5,809</u>	<u>9,310,833</u>

8. Other assets

	Other assets £
Cost	
At 1 January 2022	8,300,000
Reclassified to tangible assets	(8,300,000)
At 31 December 2022	<u>–</u>
Impairment	
At 1 January 2022 and 31 December 2022	<u>–</u>
Carrying amount	
At 31 December 2022	<u>–</u>
At 31 December 2021	<u>8,300,000</u>

This asset relates to the cost of Kalam House 252-256 Romford Road, London E7 9HZ. The title of this property has been fully executed in British Institute of Technology Ltd's name and reclassified under tangible fixed asset.

British Institute of Technology Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

9. Debtors

	2022	2021
	£	£
Trade debtors	755,555	764,397
Other debtors	271,465	277,162
	<u>1,027,020</u>	<u>1,041,559</u>

10. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	155,859	153,409
Corporation tax	25,538	29,590
Social security and other taxes	187,140	202,773
Other creditors	235,591	169,980
	<u>604,128</u>	<u>555,752</u>

11. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	<u>42,431</u>	<u>46,895</u>

12. Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of approval of these financial statements.

The company meet its day to day working capital requirements and has significant cash reserves at year end. The company's forecasts and projections, taking into account of reasonably possible changes in trading performance, show the company should be able to operate without the need for external facilities for the foreseeable future.

Post coronavirus pandemic, the directors also have taken considerations of any potential impact of the current issues impacting the world's economic and political landscape such the conflict in Ukraine.

The directors have reasonable expectation and are optimistic that with the current financial position of the company. Therefore, the directors continue to adopt the going concern basis for the year ended 31 December 2022.

13. Related party transactions

During the year, the company received loans from related parties amounting to £3,400 (2021: £nil) and completed services from related parties amounting to £22,635 (2021: £21,253).

All related parties are family members of the majority shareholder of the company.

14. Directors' advances, credits and guarantees

At the balance sheet date, the directors owed the company £78,582 (2021: £91,048). Interest, amounting to £1,294 was charged on the overdrawn balances.

15. Controlling party

Dr M Farmer is considered by the directors as the Controlling Party, by virtue of his ownership of the majority of the issued share capital of the company.

British Institute of Technology Ltd

Management Information

Year ended 31 December 2022

The following pages do not form part of the financial statements.

British Institute of Technology Ltd

Detailed Income Statement

Year ended 31 December 2022

	2022	2021
	£	£
Turnover		
Sales	1,038,060	1,064,499
Cost of sales		
Purchases	125,304	179,989
Wages and salaries	150,547	158,675
Social security costs	5,111	5,922
Pension costs - defined contribution	1,512	1,313
(Gain)/loss on disposal of tangible assets	<u>(3,162)</u>	<u>-</u>
	279,312	345,899
Gross profit	<u>758,748</u>	<u>718,600</u>
Overheads		
Administrative expenses	736,236	725,219
Other operating income	11,551	27,501
Operating profit	<u>34,063</u>	<u>20,882</u>
Other interest receivable and similar income	1,294	1,024
Interest payable and similar expenses	<u>(10,640)</u>	<u>-</u>
Profit before taxation	<u><u>24,717</u></u>	<u><u>21,906</u></u>

British Institute of Technology Ltd

Notes to the Detailed Income Statement

Year ended 31 December 2022

	2022	2021
	£	£
Administrative expenses		
Rent rates and water	62,540	34,190
Light and heat	192,473	78,400
Insurance	3,749	3,457
Repairs and maintenance (allowable)	5,289	18,900
Cleaning costs	25,796	23,602
Other establishment expenses	29,981	23,939
Motor expenses	255	225
Travel and subsistence	5,412	7,163
Telephone	5,883	25,300
Office expenses	11,837	27,511
Equipment repairs and renewals	177,537	370,658
Printing	546	15,180
Printing postage and stationery	18	61
Staff training	–	420
Staff welfare	5,324	10,936
Charitable donations (allowable)	15,543	7,265
General expenses (allowable)	235	3,422
Entertaining	214	67
Research and development expenditure written off	3,000	5,000
Legal and professional fees (allowable)	6,105	2,661
Accountancy fees	8,000	7,000
Auditors remuneration	6,000	5,000
Depreciation of tangible assets	70,420	53,162
Bad debts written off	99,693	–
Bank charges	386	1,700
	<u>736,236</u>	<u>725,219</u>
Other operating income		
Government grants recognised directly in income	–	27,501
Other operating income	11,551	–
	<u>11,551</u>	<u>27,501</u>
Other interest receivable and similar income		
Interest receivable	<u>1,294</u>	<u>1,024</u>
Interest payable and similar expenses		
Interest on hire purchase and finance lease contracts	168	–
Other interest payable and similar charges	10,472	–
	<u>10,640</u>	<u>–</u>
