

Registration number: 02450180

# Arden University Limited

Annual Report and Financial Statements

for the Year Ended 31 May 2024

# Arden University Limited

## Contents

Company Information	1
Strategic Report	2 to 9
Directors' Report	10 to 12
Independent Auditor's Report	13 to 16
Profit and Loss Account	17
Statement of Comprehensive Income	18
Balance Sheet	19 to 20
Statement of Changes in Equity	21
Statement of Cash Flows	22
Notes to the Financial Statements	24 to 42

# Arden University Limited

## Company Information

<b>Directors</b>	A Etingen R T Hannay V Kisilevsky A Tate M Bishop C R Lygo
<b>Registered office</b>	Arden House Middlemarch Park Coventry CV3 4FJ
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP 1 Chamberlain Square Birmingham B3 3AX

## Arden University Limited

### Strategic Report for the Year Ended 31 May 2024

The directors present their strategic report for the year ended 31 May 2024.

#### **Business review**

Arden University Limited ("the University" or "the company") has a proud heritage, providing flexible and accessible higher education. Having grown and evolved from 1990 as the chosen online learning partner for universities across the United Kingdom, as a University (since 2016) it now offers a range of learning experiences to meet the changing needs of modern life. Our focus on accessibility, our strong industry links and the support we offer our students and staff means that Arden University Limited is a unique institution that is removing traditional barriers to higher education. Today, more than 90 career-focused qualifications are offered, many of which are accredited by leading professional bodies, with content being developed hand in hand with UK employers and global businesses.

The results are shown on page 17. The profit and loss account shows an overall profit before tax for the year to 31 May 2024 of £58,791k (2023: £29,260k (7 months)) and profit after tax of £43,702k (2023: £23,241k (7 months)).

Over the course of 2024, Arden University Limited continued to grow significantly and further strengthened its Executive team with the creation of three new posts focused on further enhancing academic excellence and student support. Turnover for the year is £189,437k, which represents 100% period on period growth (17% normalised for previous 7 month period), driven by a series of strategic investment and development activities. The University continues to significantly invest, via capital and operating expenditure, in developing resources and facilities aimed at supporting student success, for example investment in IT systems, enhanced academic skills tutors, English Language support and an expanded wellbeing, inclusion and careers advisory team.

In 2024, CEO Magazine ranked our Executive MBA the best in its class in the UK and among the top ten Executive MBAs globally. Our MBA was also voted among the top ten MBA courses in Europe and number 2 in the UK overall by CEO Magazine. Arden University Limited was ranked in the top 20 Universities for student satisfaction by Times Higher Education as voted by students in the national NSS survey for 2024.

One highlight in the year was Arden University Limited was successfully subject to an OFSTED (Office for Standards in Education, Children's Services and Skills) inspection of the Apprenticeship provision with an overall assessment rating of "good".

Arden University Limited is committed to sustainability and social responsibility through various policies and initiatives. The University focuses on reducing its environmental impact by promoting energy efficiency, waste reduction, and sustainable practices across its campuses. It emphasises the importance of diversity, equity, and inclusion, fostering a supportive environment for students and staff. Our governance practices ensure transparency and accountability, aligning with ethical standards and stakeholder expectations. Through these efforts, the University integrates environmental, social and governance (ESG) principles and corporate social responsibility (CSR) values into its educational and operational strategies.

The University continues to operate branches in Berlin, Germany and Prague, Czechia.

## Arden University Limited

### Strategic Report for the Year Ended 31 May 2024

#### Future prospects

The growth of the University is reflected in a net asset balance of £100,204k (2023: £56,406k), an increase of £43,798k at 31 May 2024. Arden University Limited continues to forecast positive cash balances for at least the next 3 years.

Looking forward, the University continues to study the changing world of work and the skills that students need for the future, ensuring we are well placed to support students and employers.

Further investment to enhance the campus experience for students is planned across the next three years.

#### Statement of internal control and corporate governance

The Board of Directors is responsible for ensuring a sound system of internal control to support the University's policies and objectives. It is responsible for safeguarding any public and other funds available to the University.

Internal control is designed to manage rather than eliminate the risk of failing to achieve business objectives. It can only provide reasonable, not absolute, assurance against material misstatement or loss. It is also designed to prevent and detect fraud and other irregularities.

The University's system of internal control is informed by a continuous process to identify, evaluate and manage the University's significant risks, linked to the achievement of institutional objectives and regulatory responsibilities. This process covers business, operational and compliance as well as financial risk.

The effectiveness of the system of internal control is assessed in the following ways:

- The Board of Directors receives regular progress reports on risk management and confirms there is a clear policy and plan for risk management;
- The strategic risk register is updated throughout the year and identifies the main risk owners and risk mitigating actions. Risks are scored by likelihood and impact and are ranked accordingly;
- The Executive and Board regularly review all aspects of the Strategic Risk Register;
- The Audit and Risk Committee oversees the arrangements for risk management. Members of the Board of Directors receive a report of each meeting of the Audit and Risk Committee;
- Each year the Audit and Risk Committee approves a programme of special internal audits for the following year, in addition to a programme of continuous auditing of the core financial systems. The programme of internal audit is based around a structured assessment of risks within the University's operations and is reviewed in-year to ensure that emerging issues are addressed; and
- The Audit and Risk Committee receives reports from the internal auditors. These reports provide an independent opinion on the adequacy and effectiveness of the University's arrangements for risk management and the internal control systems, together with appropriate recommendations. The internal auditors also report as a matter of course on the progress made in implementing recommendations from previous reports.

The Vice-Chancellor and the Chief Financial Officer attend meetings of the Audit and Risk Committee and have direct and independent access to members of that committee, as do the internal and external auditors.

The Board of Directors, through the Audit and Risk Committee, has reviewed the effectiveness of the system of internal control operating during the year ended 31 May 2024 and up to the date of approval of these financial statements. There were no significant internal control issues during the year.

## Arden University Limited

### Strategic Report for the Year Ended 31 May 2024

#### Principal risks and uncertainties

Arden University Limited has an established strategic risk register which is reviewed by the directors and senior management quarterly. The strategic risk register includes the assessment of the likelihood and impact of a risk becoming a reality. The principal risks and uncertainties of the business are broadly grouped as Competitive, Regulatory & Quality Assurance, and Liquidity.

#### Competitive

Competition amongst UK universities is strong in the UK and in some international regions. Arden University Limited differentiates itself through its efficient online Distance Learning delivery model, its Blended Learning delivery model, its Apprenticeships programmes, its many years of experience operating internationally and in seeking new market places for its products.

#### Regulatory & Quality Assurance

As a UK Higher Education (HE) provider, Arden University Limited is regulated by the Office for Students (OfS). We are also regulated by OFSTED for apprenticeships and UK Visas and Immigration (UKVI) in relation to international students.

The University has implemented systems and processes to ensure compliance with relevant regulations and standards. Management regularly reviews systems and procedures in order to manage regulatory risk.

#### Liquidity Risk

The University manages its liquidity risk via a robust process of cash monitoring and review to ensure that it maintains adequate cash reserves. Global University Systems BV ("GUS") has provided written assurances of its commitment to support Arden University Limited, if required, to ensure the University has available funds for operations and planned expansions, for at least 12 months from the date of approval of these financial statements.

#### Other risks

##### Price Risk

The University has a limited exposure to price risk and manages the risk through monitoring of the costs of supply of the services utilised by the business and taking appropriate mitigating action as and when necessary.

##### Exchange Rate Fluctuation

The University is exposed to fluctuations in exchange rates due to operating in international markets. Risk is limited and the impact is managed by matching the expected currency inflows and outflows as far as possible.

##### Interest Rate Cash Flow Risks

The University has a limited exposure to interest rate risk outside of GUS and its subsidiaries ("the group"). Cash balances or borrowings beyond the group are limited due to the company's participation in a group funding facility.

#### The Environment

We actively work to ensure that our policies, working practices and procedures are designed to prevent unreasonable risk of environmental damage. We continually seek out opportunities to improve our environmental performance and to contribute to the well-being and sustainability of the areas in which we operate. We continue our drive to become carbon neutral, planting a tree for every student that graduates from Arden University Limited.

The University is committed to reducing our impact on the environment and invests significant effort to achieve and maintain its carbon neutral status. Streamlined Energy and Carbon Reporting (SECR) Regulations are in place with energy consumptions and emissions reported under the SECR guidance.

# Arden University Limited

## Strategic Report for the Year Ended 31 May 2024

### SECR

Our energy usage in our properties in the year to 31 May 2024 was 2,105 mWh (2023: 1,163 mWh (7 months)). This equates to 2.2 tonnes of CO<sub>2</sub> per £m of turnover (2023: 2.6 tonnes of CO<sub>2</sub> per £m of turnover).

*The calculations in the table below have been made using the Scope 1 and 2 definitions contained within the Greenhouse Gas Protocols. These have been independently validated by The Planet Mark as part of the University's ongoing commitment to sustainability.*

		2023-24	2022-23
		12 months	7 months
kWh utilised	Scope 1	2,104,978	1,162,990
Tonnes of CO <sub>2</sub> e	Scope 1	419	246
Floor Area (kWh per sq. ft)	Scope 2	8.43	5.17
Employees (tCO <sub>2</sub> e per employee)	Scope 2	0.37	0.26
Revenue (tCO <sub>2</sub> e per £m)	Scope 2	2.21	2.60

The financial statements on pages 17 to 42 were approved by the Board on 25 September 2024 and signed on its behalf by:



.....  
C R Lygo  
Director

### Statement of corporate governance

Arden University Limited's corporate governance arrangements are set out below.

### The Board of Directors

The Board of Directors (the 'Board') consists of non-executive and executive directors and is structured so that the non-executive members form an absolute majority. The roles of Chair and Chief Executive (Vice-Chancellor) are separated.

The Board is responsible for the ongoing strategic direction of the University, its financial solvency, approval of major developments, and the receipt of regular reports from members of the senior executive team on the day-to-day operations of the University and any subsidiary companies. Under the Articles of Association a number of matters are reserved to the Board. The Board approves key governance policies and documents, which are updated and reviewed by the Board as and when appropriate.

The Board delegates some detailed oversight and exercises its function through a series of committees, which are described below.

### Academic Board

The Board has established an Academic Board which is responsible under delegated authority from the Board of Directors for maintaining and enhancing the academic performance of the University in teaching, examining and research, and for advising the Board of Governors on matters relating to the educational character and mission of the University. The Academic Board's terms of reference are approved by the Board of Directors.

## Arden University Limited

### Strategic Report for the Year Ended 31 May 2024

#### **Audit and Risk Committee**

Chaired by the Deputy Chair of the Board (independent Non-Executive Director), the Audit and Risk Committee is responsible for overseeing the adequacy of internal controls relating to risk management, disclosure and financial reporting. Recommends the appointment and provides feedback on the work of the internal and external auditors and considers their reports, together with recommendations for the improvement of the systems of internal control in conjunction with management responses and implementation plans. It reviews the University's annual financial statements and the appropriateness of its accounting policies. It also provides oversight of the risk management process on the Board's behalf.

#### **Remuneration and Nominations Committee**

Chaired by the Chair of the Board, it:

- Considers the salaries and terms and conditions of service of senior staff, including the Vice-Chancellor;
- Reviews the Vice-Chancellor remuneration and ensures the contribution, value and performance are justified and commensurate with the remuneration provided;
- Has oversight of the processes and policies for senior appointments; and
- Advises the Board on succession planning for the Board and the senior executive team.

#### **Finance and Resources Committee**

Reviews and presents to the Board of Directors:

- The University's annual capital and revenue budgets;
- Estates and human resources matters;
- The University's financial policies;
- Financial performance and its impact on strategy;
- Public funding received, ensuring it is used in line with its purpose;
- Financial and statistical returns and forecasts submitted to regulatory bodies including the Office for Students; and
- Updates in relation to compliance with the University's 'Value for Money' policy.

There can be only one member of the Audit and Risk Committee on the Finance and Resource Committee but this member may not be the Chair.

#### **Academic Standards and Ethics Committee**

The purpose of the Academic Standards and Ethics Committee is to safeguard and keep under review the standard of education provided and degrees awarded by the University. The Academic Standards and Ethics Committee has oversight of and works closely with the Academic Board. The Academic Board is the custodian of academic standards and quality and is responsible for delivering Higher Education and awarding degrees in accordance with Arden University Limited's Regulatory Framework and relevant legislation relating to the delivery of UK Higher Education.

## Arden University Limited

### Strategic Report for the Year Ended 31 May 2024

#### **Directors' indemnity statement of compliance with duty to promote the success of the University**

We recognise the importance of our wider stakeholders in delivering our strategy and business sustainability, and are conscientious about our responsibilities and duties to our stakeholders under section 172 (1) of the Companies Act 2006 and have taken into account the following as per s172 (1) (a to f) of the Companies Act 2006:

- The likely long term consequences of any decision taken by the Board;
- The interest of the University's employees;
- The need to foster the University's business relationships with suppliers, customers and others;
- The impact of the University's operations on the community and the environment; and
- The desirability of the University maintaining a reputation for high standards of business conduct.

#### **Section 172(1) statement**

The s172(1) statement focuses on matters of strategic importance to Arden University Limited and the level of information disclosed is consistent with the size and complexity of the business.

We continue to create long-term, sustainable value for our shareholders, by developing our core strengths.

As outlined in the preceding pages the Board have an established series of committees, which provide a robust and constructive forum for review and challenge of senior management. The Board closely monitors risk, business critical policies, procedures and investments whilst maintaining oversight and direction of key stakeholder relationships including with regulators.

All members of the Board are subject to an established induction process which ensures the responsibilities of the office are understood.

#### **Engagement with stakeholders**

The Board delegates detailed oversight through a series of committees covering academic standards, remuneration, finance, resources, pricing, data governance and audit (including internal control). The membership is comprised of an appropriate cross section of Board members, senior management and external advisors.

The University maintains a comprehensive set of policies and procedures covering all areas of the business with oversight from the Board and its committees. The scope of these policies includes:

- University, employee and student ethics;
- academic matters;
- health and safety;
- value for money and interaction with our suppliers; and
- student matters with a focus on fees, attendance and refunds.

The satisfaction of our students represents our primary goal, focusing on high quality, value for money academic provision. Strengthening our existing partnerships and developing new partnerships with academic partners represents a critical element of achieving our goals for students at Arden University Limited.

The Board is committed to ensuring that the University maintains high standards of ethics and business conduct in everything that we do.

## Arden University Limited

### Strategic Report for the Year Ended 31 May 2024

#### Engagement with employees

We want Arden University Limited to be a great place to work, where people from all backgrounds and with disabilities have fair and equal access to employment and opportunities.

Our aim is for every one of our colleagues to fulfil their potential to the benefit of our students. It is particularly important to us as a modern university focused on more inclusive education to demonstrate accessibility and opportunity across our university community.

We are a 'Disability Confident' employer, which means that we are committed to creating inclusive recruitment processes. This includes promoting our vacancies in an accessible way, ensuring that people with disabilities are offered interviews and working with individuals to anticipate and accommodate required adjustments. We are currently at Committed Level 1 and we continue to work towards achieving Level 2 in the near future.

We ask new employees during the onboarding process to declare any disabilities. The People team (and where the colleague chooses, their manager) will then discuss and implement any required reasonable adjustments. This is also true for any existing colleagues who develop a disability during the course of their employment with us.

Arden University Limited has signed up to the 'Mindful Employer Charter', making a commitment that the mental health of our colleagues is a priority for us.

We continually develop and expand our engagement with all colleagues through our survey, 'Being Arden'. We run a full survey once a year and develop corporate and local action plans from our results. We also conduct check-in ('pulse') surveys during the year.

One of the ongoing corporate areas of focus from our engagement surveys is equality, diversity, inclusion and belonging. We have dedicated resource within our People team driving forward our equality agenda, which includes further developing our colleague equality network groups. Working with our Disability, Health and Wellbeing Network Group will drive the agenda forward in these areas for our colleagues.

Colleague communication is through a variety of channels, including our intranet (ARDEN UNiverse), update emails, team meetings and our monthly 'All Colleague Call'. These include updates on the University, management topics, our teams, our work and our people.

# Arden University Limited

## Strategic Report for the Year Ended 31 May 2024

### Key performance indicators

The University considers revenue, operating profit, EBITDA (earnings before interest, tax, depreciation and amortisation), net assets and student outcomes to be its key performance indicators.

*The company's key financial and other performance indicators during the year were as follows:*

Financial KPIs	Unit	2024	2023
Revenue	£ 000	189,437	94,683
Operating Profit	£ 000	53,415	27,530
EBITDA	£ 000	57,852	29,372
Net assets	£ 000	100,204	56,406

The continued growth of the business is demonstrated in the revenue and underlying profit growth demonstrated above, whilst noting that FY24 was a full year, versus the 7 month period of FY23.

Despite this, normalising FY23 shows year-on-year growth in revenue, operating profit and EBITDA of 17%, 13% and 15% respectively.

Student number growth of 31% in the year has continued to be a driving factor of the business' result, with the profitability ultimately resulting in an improved net assets position.

### Key Non-Financial Indicators:

In the National Student Survey (NSS) 2024, the University achieved higher positivity scores compared to the sector in 5 of 7 themes: Teaching on Course, Learning Opportunities, Assessment and Feedback, Organisation and Management and Student Voice. Overall, the University was ranked joint 16th by the Times Higher Education of all providers in the Survey.

During the 2022/23 academic year, 13.0% of graduating students at the University gained a first class honours degree and 40.3% gained an upper second class honours degree, well within the enhanced expectations of the regulator.

In the National Graduate Outcomes Survey results for 2024, Arden University Limited graduates earned above the national average for all UK Universities. The median salary of those employed who declared their income was £27,000, in line with sector average.

As highlighted in the Business Review, the University was successful in achieving a “good” OFSTED rating in relation to Apprenticeship provision in year. Conversely, the University was unsuccessful in the year in achieving a TEF (Teaching Excellence Framework) rating. The ratings reflect the extent to which a university delivers an excellent experience and outcomes for its mix of undergraduate students and across the range of its undergraduate courses and subjects. This is understandable in the context of the TEF judgements being based on data from earlier periods (2016-2020) and also incomplete data because the University did not have a 5-year track record. As we move forward, Arden University Limited is dedicated to embracing the ethos of TEF to continually improve the student experience. Our focus remains on providing excellence in teaching, learning, and student outcomes, tailored to our diverse student body and courses alongside continued investments in improving teaching methods and enhancing student support.

## Arden University Limited

### Directors' Report for the Year Ended 31 May 2024

The directors present their report and the audited financial statements of the group (Arden University Limited and its subsidiaries) and company for the year ended 31 May 2024.

#### Principal activity

The principal activity of Arden University Limited is the provision of university services.

#### Results and dividends

The profit for the year, after taxation, amounted to £43,702k (2023 (7 months): £23,241k).

No dividends have been proposed or distributed for the year and up to the approval of the financial statements (2023 (7 months): £nil)

#### Directors of the company

The directors who held office during the year were as follows:

A Etingen

R T Hannay

V Kisilevsky

A Tate

M Bishop

C R Lygo

#### Future developments

Arden University Limited has a long-term investment in Digital Learning which takes the form of Distance Learning online study and Blended Learning study partly on campus and online and maintains a trajectory of business growth and continued investment in study centres, IT systems, academic management and support functions. The further enhancement of that investment is fully encouraged by the University's parent company, GUS, which seeks to encourage the University to achieve further strong growth and further improve its stability.

#### Going concern

The financial statements have been prepared under the going concern concept which assumes that the company will be able to meet its liabilities when they fall due for the foreseeable future and at least 12 months from signing. In drawing this conclusion, the directors have prepared detailed cash flow forecasts and have considered sensitivities and risks in this process.

#### Directors' liabilities

The University purchased and maintained throughout the financial year and up to the date of signing, Directors' and Officers' Liability Insurance in respect of itself and the directors.

#### Matters covered in the Strategic Report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (S414C (11) Companies Act 2006) certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report. These matters relate to the principal risks and uncertainties. Financial risk management is also referenced within the Strategic Report above, as is how the University engages with stakeholders and employees.

## Arden University Limited

### Directors' Report for the Year Ended 31 May 2024

#### Important non adjusting events after the financial period

There have been no significant events affecting the University since the year end.

#### Corporate governance

The corporate governance statement has been included within the Strategic Report due to its strategic importance.

#### Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of PricewaterhouseCoopers LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

#### Liability limitation agreements

The directors have agreed with the University's auditors that the auditor's liability to damages for breach of duty in relation to the audit of the University's financial statements for the year to 31 May 2024 should be limited to the greater of £5 million or 5 times the auditor's fees, and that in any event the auditor's liability for damages should be limited to that part of any loss suffered by the University as is just and equitable having regard to the extent to which the auditor, the University and any third parties are responsible for the loss in question. The shareholders approved this limited liability agreement, as required by the Companies Act 2006, by a resolution dated 19 August 2024.

#### Statement of directors' responsibilities in respect of the financial statements

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

Under company law, 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 group and company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and 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.

## Arden University Limited

### Directors' Report for the Year Ended 31 May 2024

#### Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the University's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the University's auditors are aware of that information.

Approved and authorised by the Board on 25 September 2024 and signed on its behalf by:



.....  
C R Lygo  
Director

# Independent auditors' report to the members of Arden University Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Arden University Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 May 2024 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law);
- have been properly prepared in accordance with the requirements of the Office for Students' Accounts Direction (OfS 2019.41); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 31 May 2024; the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated and company statement of changes in equity and the consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 May 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

### **Responsibilities for the financial statements and the audit**

#### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' 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 auditors' 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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Office for Students' regulatory framework, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Office for Students' Accounts Direction (OfS 2019.41), tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate the financial results or making inappropriate accounting estimates. Audit procedures performed by the engagement team included:

- Confirmation and enquiry of management and those charged with governance around known or suspected instances of non-compliance with laws and regulations, including consideration of actual or potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Identifying and testing unusual journal entries;
- Challenging assumptions and judgements made by management in determining significant accounting estimates; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Opinions on other matters prescribed in the Office for Students' Accounts Direction (OfS 2019.41)

In our opinion, in all material respects:

- funds from whatever source administered by the company for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- funds provided by the Office for Students have been applied in accordance with the relevant terms and conditions.

Under the Office for Students' Accounts Direction, we are required to report to you, if we have anything to report in respect of the following matters:

- The company's grant and fee income, as disclosed in note 3 to the financial statements, has been materially misstated; or
- The company's expenditure on access and participation activities for the financial year, as disclosed in note 5 to the financial statements, has been materially misstated.

We have no matters to report arising from this responsibility.

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Liesal Ackerman (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
26 September 2024

## Arden University Limited

### Consolidated Profit and Loss Account for the Year Ended 31 May 2024

	Note	2024 12 months £ 000	2023 7 months £ 000
Turnover	3	189,437	94,683
Cost of sales		<u>(41,879)</u>	<u>(22,173)</u>
Gross profit		147,558	72,510
Administrative expenses		<u>(94,143)</u>	<u>(44,981)</u>
Operating profit	5	<u>53,415</u>	<u>27,529</u>
Interest receivable and similar income	8	5,687	1,904
Interest payable and similar expenses	9	<u>(311)</u>	<u>(173)</u>
		<u>5,376</u>	<u>1,731</u>
Profit before tax		58,791	29,260
Tax on profit	10	<u>(15,089)</u>	<u>(6,019)</u>
Profit for the financial year		<u><u>43,702</u></u>	<u><u>23,241</u></u>

The above results were derived from continuing operations.

The group has no recognised gains or losses for the year other than the results above.

The notes on pages 24 to 42 form an integral part of these financial statements.

## Arden University Limited

### Consolidated Statement of Comprehensive Income for the Year Ended 31 May 2024

	<b>2024</b> <b>12 months</b> <b>£ 000</b>	<b>2023</b> <b>7 months</b> <b>£ 000</b>
Profit for the year	43,702	23,241
Foreign currency translation gains/(losses)	<u>97</u>	<u>(121)</u>
Total comprehensive income for the year	<u><u>43,799</u></u>	<u><u>23,120</u></u>

The notes on pages 24 to 42 form an integral part of these financial statements.

## Arden University Limited

(Registration number: 02450180)

### Consolidated and Company Balance Sheet as at 31 May 2024

	Note	Consolidated		Company	
		2024 £ 000	2023 £ 000	2024 £ 000	2023 £ 000
<b>Fixed assets</b>					
Intangible assets	11	17,710	8,329	17,710	8,329
Tangible assets	12	10,660	6,903	10,660	6,903
Investments	13	-	-	317	317
		<u>28,370</u>	<u>15,232</u>	<u>28,687</u>	<u>15,549</u>
<b>Current assets</b>					
Debtors: including amounts falling due after more than one year	14	145,056	128,661	145,056	128,661
Cash at bank and in hand		<u>42,093</u>	<u>7,570</u>	<u>42,074</u>	<u>7,551</u>
		187,149	136,231	187,130	136,212
<b>Creditors: Amounts falling due within one year</b>	16	<u>(113,597)</u>	<u>(94,057)</u>	<u>(113,906)</u>	<u>(94,366)</u>
<b>Net current assets</b>		<u>73,552</u>	<u>42,174</u>	<u>73,224</u>	<u>41,846</u>
<b>Total assets less current liabilities</b>		101,922	57,406	101,911	57,395
<b>Creditors: Amounts falling due after more than one year</b>	16	(86)	-	(86)	-
<b>Provisions for liabilities</b>	10	<u>(1,632)</u>	<u>(1,000)</u>	<u>(1,632)</u>	<u>(1,000)</u>
<b>Net assets</b>		<u>100,204</u>	<u>56,406</u>	<u>100,193</u>	<u>56,395</u>
<b>Capital and reserves</b>					
Called up share capital		12,720	12,720	12,720	12,720
Capital contribution reserve		10,228	10,228	10,228	10,228
Retained earnings		<u>77,256</u>	<u>33,458</u>	<u>77,245</u>	<u>33,447</u>
Total Shareholders' funds		<u>100,204</u>	<u>56,406</u>	<u>100,193</u>	<u>56,395</u>

The notes on pages 24 to 42 form an integral part of these financial statements.

**Arden University Limited**

**(Registration number: 02450180)**

**Consolidated and Company Balance Sheet as at 31 May 2024**

The group's profit was equal to that of the company in the year to 31 May 2024.

The financial statements were approved and authorised by the Board on 25 September 2024 and signed on its behalf by:



.....  
C R Lygo  
Director

The notes on pages 24 to 42 form an integral part of these financial statements.

## Arden University Limited

### Consolidated and Company Statement of Changes in Equity for the Year Ended 31 May 2024

<b>Consolidated</b>	<b>Share capital £ 000</b>	<b>Capital contribution reserve £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 November 2022	12,720	10,228	10,338	33,286
Profit for the period	-	-	23,241	23,241
Currency translation differences	-	-	(121)	(121)
At 31 May 2023	<u>12,720</u>	<u>10,228</u>	<u>33,458</u>	<u>56,406</u>
<b>Consolidated</b>	<b>Share capital £ 000</b>	<b>Capital contribution reserve £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 June 2023	12,720	10,228	33,457	56,405
Profit for the year	-	-	43,702	43,702
Currency translation differences	-	-	97	97
At 31 May 2024	<u>12,720</u>	<u>10,228</u>	<u>77,256</u>	<u>100,204</u>
<b>Company</b>	<b>Share capital £ 000</b>	<b>Capital contribution reserve £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 November 2022	12,720	10,228	10,327	33,275
Profit for the period	-	-	23,241	23,241
Currency translation differences	-	-	(121)	(121)
At 31 May 2023	<u>12,720</u>	<u>10,228</u>	<u>33,447</u>	<u>56,395</u>
<b>Company</b>	<b>Share capital £ 000</b>	<b>Capital contribution reserve £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 June 2023	12,720	10,228	33,446	56,394
Profit for the year	-	-	43,702	43,702
Currency translation differences	-	-	97	97
At 31 May 2024	<u>12,720</u>	<u>10,228</u>	<u>77,245</u>	<u>100,193</u>

The notes on pages 24 to 42 form an integral part of these financial statements.

## Arden University Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 May 2024

	Note	2024 £ 000	2023 £ 000
<b>Cash flows from operating activities</b>			
Profit for the year / period		43,702	23,241
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	4,437	1,843
Loss on disposal of tangible assets	4	301	-
Finance income	8	(5,687)	(1,904)
Finance costs	9	311	173
Income tax expense	10	15,089	6,019
Foreign exchange gains/losses		97	(121)
		<u>58,250</u>	<u>29,251</u>
Working capital adjustments			
Decrease/(increase) in trade debtors	14	858	(32,014)
Increase in trade creditors	16	25,143	28,790
Movement in amounts owed by Group companies (net of interest received)		<u>(11,564)</u>	<u>(17,300)</u>
Cash generated from operations		72,687	8,727
Income taxes paid	10	<u>(20,069)</u>	<u>(223)</u>
Net cash flow from operating activities		<u>52,618</u>	<u>8,504</u>
<b>Cash flows from investing activities</b>			
Acquisitions of tangible assets		(6,977)	(856)
Acquisition of intangible assets	11	<u>(10,900)</u>	<u>(3,306)</u>
Net cash flows from investing activities		<u>(17,877)</u>	<u>(4,162)</u>
<b>Cash flows from financing activities</b>			
Interest paid	9	(311)	(173)
Drawdown of finance leases		164	-
Payments to finance lease creditors		<u>(72)</u>	<u>(103)</u>
Net cash flows from financing activities		<u>(219)</u>	<u>(276)</u>
Net increase in cash and cash equivalents		34,522	4,066
Cash and cash equivalents at 1 June 2023 / 1 November 2022		<u>7,571</u>	<u>3,505</u>
Cash and cash equivalents at 31 May		<u><u>42,093</u></u>	<u><u>7,571</u></u>

The notes on pages 24 to 42 form an integral part of these financial statements.

## **Arden University Limited**

All notes reflect the group and company position with the exception of Investments (Note 13), Cash at bank and in hand (Note 15) and Creditors (Note 16). Both the consolidated group and company positions are detailed in these notes.

The notes on pages 24 to 42 form an integral part of these financial statements.

# Arden University Limited

## Notes to the Financial Statements for the Year Ended 31 May 2024

### 1 General information

The address of its registered office is:  
Arden House  
Middlemarch Park  
Coventry  
CV3 4FJ

Arden University Limited is a private company, limited by shares, registered and incorporated in the United Kingdom.

These financial statements were authorised for issue by the Board on 25 September 2024.

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

#### Basis of preparation

The financial statements were prepared under the historical cost convention. Compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. No parent company profit and loss has been prepared as the company has taken the exemption under Section 408 of the Companies Act.

The following principal accounting policies have been applied consistently:

#### Consolidated financial statements

The financial statements contain information about Arden University Limited and its subsidiaries and contain consolidated financial information as the parent of a group.

All intra-group transactions, balances, income and expenses with subsidiaries are eliminated on consolidation.

## Arden University Limited

### Notes to the Financial Statements for the Year Ended 31 May 2024

#### Going concern

The financial statements have been prepared under the going concern concept which assumes that the company will be able to meet its liabilities when they fall due, at least from 12 months of signing and for the foreseeable future. In drawing this conclusion the directors have prepared detailed cash flow forecasts and have considered sensitivities and risks in this process, including considering a severe but plausible downside scenario, under which the group is able to meet its obligations as they fall due. In addition, a group revolver facility is in place with funds lent to GUS being repayable to the University if required.

The financial statements do not contain the adjustments that would result if the company was not deemed to continue as a going concern.

#### Foreign currency translation

##### Functional and presentational currency

The Company's functional and presentational currency is GBP and figures are rounded to the nearest £1,000.

##### 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'administrative costs'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

##### Consolidation

The trading results of subsidiary undertakings are translated into GBP at the average exchange rates for the year. The assets and liabilities of overseas subsidiaries, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year-end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income'.

## Arden University Limited

### Notes to the Financial Statements for the Year Ended 31 May 2024

#### Revenue recognition

Income is recognised in correlation to the constituent parts of courses provided by the company as either principal or as agent. Incremental costs to acquire a revenue contract are deferred and amortised over the period commensurate with the contract value.

There is one main stream of revenue (tuition fees) that is delivered in the following five ways:

- Distance Learning consists of students studying remotely through accessing content online and completing assessments electronically. Revenue is recognised over the period of study for modules;
- Blended Learning consists of students studying through a mixture of classroom tuition and remotely accessing content online, and completing both online and classroom based assessment. Revenue is recognised over the period of study for modules;
- Student Recruitment services consist of recruiting students to Distance Learning courses provided by external parties and receiving a fee for this service. Revenue is recognised when the student commences the course;
- Annual registration Fees are payable on some Distance Learning courses. This revenue is recognised evenly over the associated 12 month registration period; and
- Apprenticeships relate to Government approved apprenticeships where students study through a mixture of classroom and online study. Revenue is recognised over the period of study.

From a geographical standpoint, revenue is generated in both the UK and Berlin branches of Arden University Limited. This has been disaggregated in the notes to these financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As detailed below, the most significant judgement relates to the intensity at which both Blended and Distance Learning students study.

#### Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

#### Leases

Operating leases are written off to the profit and loss account on a remittance basis. Future obligations under these leases are shown in the notes to the financial statements.

#### Finance income and costs policy

Interest income is recognised in profit or loss using the effective interest method.

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

#### Defined contribution pension obligation

Arden University Limited operates a defined contribution pension scheme whereby it makes contributions to insurance companies to enable them to provide retirement benefits for certain directors and employees of the University. The pension contributions made by the University under these arrangements (stated net of the personal contributions received from the individual directors/employees) are shown in the notes to the financial statements.

## Arden University Limited

### Notes to the Financial Statements for the Year Ended 31 May 2024

#### Commission costs

Commission costs are amortised on a monthly basis over the expected study period. This provides reliable and relevant information as it more appropriately allocates the costs based on the service it relates to, being the study period.

#### Tax

Tax is recognised in profit or loss 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 except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. The University does not account for deferred tax on top-up taxes therefore these rules have had no deferred tax accounting impact.

#### Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

#### Amortisation

Amortisation is provided at the annual rate of 20% on cost in order to write off each asset over its estimated useful life.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. This involves liaison with appropriate business units to determine if any impairment triggers exist, at which point the asset would be impaired as appropriate.

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

## Arden University Limited

### Notes to the Financial Statements for the Year Ended 31 May 2024

#### Tangible 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.

#### Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

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 profit or loss.

#### Asset class

Furniture, fittings and equipment

Computer equipment

#### Depreciation method and rate

Straight line over 3-8 years or over lease term where shorter

Straight line over 3-5 years

#### Valuation of Investments

Investments are stated at historical cost less any accumulated impairment losses. The investments' estimated net realisable values are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

#### Debtors

Short term debtors, including trade and other debtors, are measured at transaction price, less any impairment. Loans receivable, including amounts owed by Group undertakings, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment. Prepayments and accrued income are initially measured at transaction price and are expensed to the profit or loss in line with the relevant expense period.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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) 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.

## Arden University Limited

### Notes to the Financial Statements for the Year Ended 31 May 2024

#### Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

#### Creditors

Trade payables, including amounts owed to group undertakings, are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Accruals, including taxation and social security, income tax and pension costs, are initially measured at transaction price, expensed to the profit or loss in line with the relevant expense period and held until the liability is settled. Deferred income is recognised at transaction price and is released to the profit or loss via revenue recognition in line with the University's 'Revenue recognition' accounting policy above.

Other creditor items, including bank loans and finance leases, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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

#### Financial instruments

The University has applied sections 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments.

#### Financial assets

Basic financial assets, including trade and other receivables and cash and bank 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. Further detail is given in the 'Debtors' and 'Cash and cash equivalents' sections above.

#### Financial liabilities

Basic financial liabilities, including trade and other payables and loans from 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 receipts discounted at a market rate of interest. Further detail is given in the 'Creditors' section above.

#### Judgements and estimation

Management perform regular reviews and analysis to ensure the assumptions reflect the best estimates and to ensure revenue recognition under the model is consistent with FRS 102.

## Arden University Limited

### Notes to the Financial Statements for the Year Ended 31 May 2024

#### Study intensity

Distance Learning is a part time form of study. Modules are completed at half the study intensity on average of a full-time course. Key assumptions are that revenue is recognised on a per module basis assuming study periods are between 3 and 6 months and 8 months for dissertations. Where study periods cross the end of an accounting period income is recognised on a pro rata basis. Blended Learning courses are on a full-time basis and are a mixture of online access to material and classroom engagement. Programmes have a set timetable over three semesters per year. Key assumptions are that revenue is recognised per semester based on fees paid. Where study periods cross the end of an accounting period income is recognised on a pro rata basis.

#### Assessment of amortisation period for deferred commission costs

In assessing the period for which costs paid to a third party to acquire new students should be amortised, this is deemed to be the study period for which the student has been recruited.

#### Debtor provisioning

Quarterly reviews of debtor balances take place to assess debtors against defined rules (based on ageing) for potential doubtful debts, which drives the provisioning.

#### Assets useful lives

For both tangible and intangible assets, residual values, useful lives and amortisation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. This is performed in liaison with appropriate business units to ensure our accounting policies reflect usage of assets.

### 3 Turnover

The analysis of the company's turnover for the year by market is as follows:

	<b>2024</b> <b>12 months</b> <b>£ 000</b>	<b>2023</b> <b>7 months</b> <b>£ 000</b>
UK	180,974	89,250
Europe	8,463	5,433
	<u>189,437</u>	<u>94,683</u>

Total turnover split between fee income and grant income received from OFS is £184,553k and £4,881k respectively (2023: £92,477k and £2,178k respectively). £2k of research income was also received for the year ended 31 May 2024 (2023: £27k).

### 4 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	<b>2024</b> <b>12 months</b> <b>£ 000</b>	<b>2023</b> <b>7 months</b> <b>£ 000</b>
Loss on disposal of tangible assets	<u>(301)</u>	<u>-</u>

## Arden University Limited

### Notes to the Financial Statements for the Year Ended 31 May 2024

#### 5 Operating profit

The operating profit is stated after charging:

	<b>2024</b>	<b>2023</b>
	<b>12 months</b>	<b>7 months</b>
	<b>£ 000</b>	<b>£ 000</b>
Depreciation - owned assets	2,786	1,298
Depreciation - assets on hire purchase contracts	131	90
Website and software development costs amortisation	1,519	455
Auditors' remuneration - audit fees	468	211
Operating lease rentals - land and buildings	2,689	1,549
Operating lease rentals - equipment	41	25
	<b>7,634</b>	<b>3,628</b>
	<b>7,634</b>	<b>3,628</b>

Non- audit fees of £532k (2023: £31k) were paid to the University's auditors for services performed in relation to corporate finance activities.

The University incurred £3,547k on Access and Participation Plan initiatives in the year (2023: £1,726k) of which £2,213 (2023: £972k) related to salaries for the year ended 31 May 2024.

	<b>2024</b>	<b>2023</b>
	<b>12 months</b>	<b>7 months</b>
	<b>£ 000s</b>	<b>£ 000s</b>
Access investment	2,515	1,082
Financial support investment	1,032	644
	<b>3,547</b>	<b>1,726</b>
<b>Total access and participation investment</b>	<b>3,547</b>	<b>1,726</b>

The latest copy of the University's Access and Participation Plan can be found on the University's website.

## Arden University Limited

### Notes to the Financial Statements for the Year Ended 31 May 2024

#### 6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2024</b>	<b>2023</b>
	<b>12 months</b>	<b>7 months</b>
	<b>£ 000</b>	<b>£ 000</b>
Wages and salaries	54,102	27,963
Social security costs	6,184	3,093
Other pension costs	4,190	1,801
	<u>64,476</u>	<u>32,857</u>

Payroll costs above are shown gross and prior to any recharges for capitalised costs. Capitalised staff costs amount to £6,348k in the 12 months to 31 May 2024 (7 months to 31 May 2023: £2,360k)

The monthly average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
Total staff	<u>1,131</u>	<u>948</u>

#### 7 Directors' remuneration

	<b>2024</b>	<b>2023</b>
	<b>12 months</b>	<b>7 months</b>
	<b>£ 000</b>	<b>£ 000</b>
Directors' emoluments	532	288

Directors' emoluments for FY24 related to 4 directors (2023: 4).

All staff are employed within the parent company (Arden University Ltd).

During the year no retirement benefits accrued to directors (2023: £ nil) in respect of defined contribution pension schemes.

The highest paid director earned remuneration of £367k for the 12 months ended May 2024 (7 months ended May 2023: £204k).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £ nil (2023: £ nil).

## Arden University Limited

### Notes to the Financial Statements for the Year Ended 31 May 2024

#### 7 Directors' remuneration (continued)

##### Key management personnel of the Company

Key management personnel received compensation totalling £2,204k (2023: £1,297k).

Senior staff pay (annualised)	2024 No.	2023 No.
£100,000 to £104,999	4	2
£105,000 to £109,999	1	2
£110,000 - £114,999	2	-
£120,000 to £124,999	-	1
£130,000 to £134,999	1	1
£140,000 to £144,999	-	2
£145,000 to £149,999	-	1
£150,000 - £154,999	2	-
£180,000 - £ 184,999	1	-
£220,000 to £224,999	-	1
£235,000 - £239,999	1	-
	12	10

The increased number of senior staff is the result of a combination of pay inflation and business expansion.

Professor Carl Lygo earned the following remuneration in his role as Vice-Chancellor & CEO:

	2024 12 months £ 000	2023 7 months £ 000
Salary	231	128
Bonus	136	76
	367	204

Professor Carl Lygo was appointed Vice-Chancellor & CEO on 11 April 2019. All remuneration in relation to Directors is determined by the University's remuneration committee.

Relationship between the Head of Provider's remuneration and other staff:

- (i) The Head of Provider's basic salary is 6.0 times (2023 (restated): 6.0 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 the staff.
- (ii) The Head of Provider's total remuneration is 9.6 times (2023 (restated): 9.5 times) the median total remuneration of staff, where the median total remuneration is calculated on a full time equivalent basis for the total remuneration paid by the provider to the staff.

Prior period (7 months) comparative figures have been restated to ensure these are presented on a like-for-like basis with 2024. Specifically, this related to restating median staff salary to a 7-month equivalent, in line with the the prior period Head of Provider values.

## Arden University Limited

### Notes to the Financial Statements for the Year Ended 31 May 2024

#### 8 Interest receivable and similar income

	<b>2024</b>	<b>2023</b>
	<b>12 months</b>	<b>7 months</b>
	<b>£ 000</b>	<b>£ 000</b>
Amounts receivable from group undertakings	5,687	1,904

#### 9 Interest payable and similar expenses

	<b>2024</b>	<b>2023</b>
	<b>12 months</b>	<b>7 months</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest on bank overdrafts and borrowings	311	173

#### 10 Tax on profit

Tax charged/(credited) in the profit and loss account

	<b>2024</b>	<b>2023</b>
	<b>12 months</b>	<b>7 months</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Current taxation</b>		
UK corporation tax	14,034	5,711
UK corporation tax adjustment to prior periods	294	(161)
	14,328	5,550
Foreign tax	130	-
Total current income tax	14,458	5,550
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	835	538
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(203)	(68)
Total deferred taxation	632	470
Tax expense in the income statement	15,090	6,020

The UK standard corporation tax rate increased from 19% to 25% with effect from 1 April 2023. Therefore, no changes during the financial year have been enacted and our corporation tax and deferred taxes have been calculated using the 25% rate.

## Arden University Limited

### Notes to the Financial Statements for the Year Ended 31 May 2024

#### 10 Tax on profit (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2023 - lower than the standard rate of corporation tax in the UK) of 25% (2023 - 20.73%).

The differences are reconciled below:

	<b>2024</b>	<b>2023</b>
	<b>12 months</b>	<b>7 months</b>
	<b>£ 000</b>	<b>£ 000</b>
Profit before tax	58,791	29,260
Profit before tax multiplied by std rate of corporation tax in the UK of 25% (2023: 20.73%)	14,698	6,065
Effect of expense not deductible in determining taxable profit (tax loss)	244	73
UK deferred tax expense relating to changes in tax rates or laws	-	92
Deferred tax credit from unrecognised temporary difference from a prior period	(203)	(68)
Increase/(decrease) in UK and foreign current tax from adjustment for prior periods	294	(161)
Tax increase from effect of capital allowances and depreciation	57	19
Total tax charge	15,090	6,020
<b>Deferred tax</b>		
Deferred tax assets and liabilities		
	<b>Asset</b>	<b>Liability</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>2024</b>		
Deferred tax liability	-	1,632
	-	1,632
	<b>Asset</b>	<b>Liability</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>2023</b>		
Deferred tax liability	-	1,000
	-	1,000

The deferred tax balance primarily relates to fixed asset timing differences and are expected to unwind over the next three to five years.

## Arden University Limited

### Notes to the Financial Statements for the Year Ended 31 May 2024

#### 11 Intangible assets

	Goodwill £ 000	Software development £ 000	Library and database £ 000	Website development costs £ 000	Work in progress £ 000	Total £ 000
<b>Cost or valuation</b>						
At 1 June 2023	14	2,423	4,389	362	3,531	10,719
Additions	-	-	146	-	10,711	10,857
Disposals	-	(47)	(25)	-	-	(72)
Transfers	-	39	2,307	-	(2,346)	-
	<u>14</u>	<u>2,415</u>	<u>6,817</u>	<u>362</u>	<u>11,896</u>	<u>21,504</u>
At 31 May 2024	<u>14</u>	<u>2,415</u>	<u>6,817</u>	<u>362</u>	<u>11,896</u>	<u>21,504</u>
<b>Accumulated amortisation</b>						
At 1 June 2023	14	1,133	1,028	215	-	2,390
Charge for the year	-	483	954	41	-	1,478
Eliminated on disposal	-	(47)	(25)	-	-	(72)
	<u>14</u>	<u>1,569</u>	<u>1,957</u>	<u>256</u>	<u>-</u>	<u>3,796</u>
At 31 May 2024	<u>14</u>	<u>1,569</u>	<u>1,957</u>	<u>256</u>	<u>-</u>	<u>3,796</u>
<b>Carrying amount</b>						
At 31 May 2024	<u>-</u>	<u>846</u>	<u>4,860</u>	<u>106</u>	<u>11,896</u>	<u>17,708</u>
At 31 May 2023	<u>-</u>	<u>1,289</u>	<u>3,360</u>	<u>148</u>	<u>3,531</u>	<u>8,328</u>

The increased 'Work in progress' balance primarily relates to the University's continued investment in software required to improve student experiences, with significant investment having taken place in recent years.

## Arden University Limited

### Notes to the Financial Statements for the Year Ended 31 May 2024

#### 12 Tangible assets

	Furniture, fittings and equipment £ 000	Assets under construction £ 000	Computer equipment £ 000	Total £ 000
<b>Cost or valuation</b>				
At 1 June 2023	6,537	-	4,987	11,524
Additions	3,330	2,608	1,294	7,232
Transfers	2,331	(2,608)	277	-
Disposals	(1,068)	-	(118)	(1,186)
At 31 May 2024	<u>11,130</u>	<u>-</u>	<u>6,440</u>	<u>17,570</u>
<b>Accumulated depreciation</b>				
At 1 June 2023	2,390	-	2,233	4,623
Charge for the year on owned assets	1,614	-	1,172	2,786
Charge for the year on financed assets	-	-	131	131
Eliminated on disposal	(555)	-	(74)	(629)
At 31 May 2024	<u>3,449</u>	<u>-</u>	<u>3,462</u>	<u>6,911</u>
<b>Carrying amount</b>				
At 31 May 2024	<u><u>7,681</u></u>	<u><u>-</u></u>	<u><u>2,978</u></u>	<u><u>10,659</u></u>
At 31 May 2023	<u><u>4,147</u></u>	<u><u>-</u></u>	<u><u>2,755</u></u>	<u><u>6,902</u></u>

The balances transferred from 'Assets under construction' during the year related to investment in a new study centre, as part of the University's ongoing growth plans.

#### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2024 £ 000	2023 £ 000
Computer equipment	<u><u>330</u></u>	<u><u>244</u></u>

## Arden University Limited

### Notes to the Financial Statements for the Year Ended 31 May 2024

#### 13 Investments

	<b>2024</b>	<b>2023</b>
	<b>£ 000</b>	<b>£ 000</b>
Investments in subsidiaries	317	317
<b>Subsidiaries</b>		<b>£ 000</b>
<b>Cost or valuation</b>		
At 1 June 2023 and 31 May 2024		317
<b>Carrying amount</b>		
At 31 May 2024		317
At 31 May 2023		317

#### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2024	2023
<b>Subsidiary undertakings</b>				
Resource Development International Limited	Arden House, Middlemarch Park, Siskin Drive, Coventry, CV3 4FJ United Kingdom	Ordinary	100%	100%
The Institute Of Business and Management Limited	Arden House, Middlemarch Park, Siskin Drive, Coventry, CV3 4FJ United Kingdom	Ordinary	100%	100%
Arden University GmbH	Dessauer Strasse 3-5, 10963, Berlin Germany	Ordinary	100%	100%

## Arden University Limited

### Notes to the Financial Statements for the Year Ended 31 May 2024

#### 13 Investments (continued)

##### Subsidiary undertakings

###### *Resource Development International Limited*

The principal activity of Resource Development International Limited is Non trading . The profit for the financial period was £- and the aggregate amount of capital and reserves at the end of the period was £309k.

###### *The Institute Of Business and Management Limited*

The principal activity of The Institute Of Business and Management Limited is Non trading .

###### *Arden University GmbH*

The principal activity of Arden University GmbH is Non trading . The profit for the financial period was £- and the aggregate amount of capital and reserves at the end of the period was £19k.

The company also maintains branches in Berlin, Germany and Prague, Czech Republic.

#### 14 Debtors: including amounts falling due after more than one year

	Note	2024 £ 000	2023 £ 000
Trade debtors		36,753	47,689
Amounts owed by Group undertakings	19	80,960	63,709
Prepayments and accrued income		27,343	17,263
		145,056	128,661

Amounts owed by group undertakings are unsecured and have no fixed date of repayment and are repayable on demand. Interest is charged on the amounts borrowed by the shareholder at a rate of SONIA+4.25% and other intercompany balances are interest free. Interest receivable totalled £5,687k for the year to 31 May 2024 (2023 (7 months): £1,904k).

#### 15 Cash at bank and in hand

		2024 £ 000	2023 £ 000
<b>Consolidated</b>			
Cash at bank and in-hand		42,093	7,570

		2024 £ 000	2023 £ 000
<b>Company</b>			
Cash at bank and in-hand		42,074	7,551

## Arden University Limited

### Notes to the Financial Statements for the Year Ended 31 May 2024

#### 16 Creditors

<b>Consolidated</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>£ 000</b>	<b>£ 000</b>
<b>Due within one year</b>			
Finance leases		60	53
Trade creditors		3,628	2,291
Amounts owed to group undertakings	19	2,074	11,633
Taxation and social security		1,762	1,373
Outstanding defined contribution pension costs		439	431
Other creditors		241	410
Income tax liability	10	2,313	7,924
Accruals		30,936	19,377
Deferred income		72,144	50,565
		<u>113,597</u>	<u>94,057</u>
<b>Due after one year</b>			
Finance leases		86	-
		<u>86</u>	<u>-</u>
<b>Company</b>			
<b>Company</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>£ 000</b>	<b>£ 000</b>
<b>Due within one year</b>			
Finance leases		60	53
Trade creditors		3,937	2,600
Amounts owed to group undertakings	19	2,074	11,633
Taxation and social security		1,762	1,373
Outstanding defined contribution pension costs		439	431
Other creditors		241	410
Income tax liability	10	2,313	7,924
Accruals		30,936	19,377
Deferred income		72,144	50,565
		<u>113,906</u>	<u>94,366</u>
<b>Due after one year</b>			
Finance leases		86	-
		<u>86</u>	<u>-</u>

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment and are repayable on demand.

## Arden University Limited

### Notes to the Financial Statements for the Year Ended 31 May 2024

#### 17 Obligations under leases and hire purchase contracts

##### Finance leases

The total of future minimum lease payments is as follows:

	<b>2024</b>	<b>2023</b>
	<b>£ 000</b>	<b>£ 000</b>
Not later than one year	60	53
Later than one year and not later than five years	86	-
	146	53

##### Operating leases

The total of future minimum lease payments is as follows:

	<b>2024</b>	<b>2023</b>
	<b>£ 000</b>	<b>£ 000</b>
Not later than one year	4,015	3,347
Later than one year and not later than five years	11,956	8,128
Later than five years	72	1,101
	16,043	12,576

#### 18 Called up share capital

##### Allotted, called up and fully paid shares

	<b>2024</b>		<b>2023</b>	
	<b>No. 000</b>	<b>£ 000</b>	<b>No. 000</b>	<b>£ 000</b>
Ordinary shares of £1 each	12,720	12,720	12,720	12,720

No dividends have been proposed or distributed for the period and up to the approval of the financial statements (2023: £nil).

#### 19 Related party transactions

Global University Systems BV, the ultimate parent company, previously extended a revolving credit facility to the company. As at 31 May 2024, Arden University Limited has repaid a balance of £nil (2023: £nil) on this credit facility. The balance on this facility due from GUS at 31 May 2024 is £80,960k (2023: £63,709k). Other amounts owed by the University to other group undertakings at 31 May 2024 are £2,074k (2023: £11,633k).

No management fees (2023: none) are charged between GUS and Arden University Limited and no remuneration (2023: none) is paid by GUS to the directors or employees of Arden University Limited for their services to the University.

## Arden University Limited

### Notes to the Financial Statements for the Year Ended 31 May 2024

#### **20 Relationship between entity and parents**

The parent of the largest group in which these financial statements are consolidated is Global University System Holdings BV, incorporated in The Netherlands.

The address of Global University System Holdings BV is:  
Passeerdersgracht 23, 1016XG Amsterdam

Global University System Holdings BV is therefore the ultimate parent company and controlling party of Arden University Limited.

The parent of the smallest group in which these financial statements are consolidated is AU Bidco Limited, incorporated in England and Wales.

The address of AU Bidco Limited is:  
30 Holborn, Buchanan House, London, England, EC1N 2HS

AU Bidco Limited is therefore the immediate parent company of Arden University Limited. Copies of the company's financial statements are available to view on Companies House.