

Company Registration No. 01293463 (England and Wales)

INSTILL EDUCATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021



INSTILL EDUCATION LIMITED

COMPANY INFORMATION

Director	Till Gins
Secretary	Diamond College Limited
Company number	01293463
Registered office	14 Friars Entry Oxford OX1 2BZ
Auditor	RSM UK Audit LLP Chartered Accountants Davidson House Forbury Square Reading Berkshire RG1 3EU
Bankers	HSBC Bank Plc Apex Plaza Reading Berkshire RG1 1AX

INSTILL EDUCATION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The director presents the strategic report for the year ended 31 December 2021.

Business review and future developments

Costs cut in 2020 fed into the 2021 performance leading to a significantly reduced loss. The end of COVID in 2022 has led to a sharp increase in business activity, although nothing comparable to the pre-COVID years. The operating landscape has become increasingly more complicated due to Brexit and people's reluctance to travel to study. We are still analysing the ongoing viability of each of our business units with a view to making all of them net contributors.

Key performance indicators

The directors of OISE Holdings Limited manage the group's operations on a divisional basis. For this reason, the company's director believes that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance and position of the business of Instill Education Limited. The key performance indicators of OISE Holdings Limited are included in its strategic report.

Matters of strategic importance, financial risk management objectives and policies

Going concern

The company ended the year with net current assets of £2,620,403 but recorded a loss for the financial year of £952,874. The director has therefore assessed going concern.

The company is a wholly-owned subsidiary in the group headed by OISE Holdings Limited. The group benefits from a healthy cash position thanks to CBILS and its equivalent in France, furlough schemes in the UK and other jurisdictions the group operates in and the sale of one of its properties in April 2022 for £1.643 million. The group has enough cash reserves to see it through into 2023 and beyond.

Although the main activity of the group is language training, the assets of the group include a large number of properties which we are still looking at leasing, selling or operating as serviced accommodation or offices. The latter is an option that looks to benefit from a growing demand.

Demand for language courses was negatively affected by the COVID-19 travel restrictions imposed by most countries, especially in the UK. However, we managed to switch some of the teaching to an online provision, which helped us to maintain a foothold among our traditional clientele until restrictions on travel were lifted and we were able to teach customers face to face.

In order to counter the impact of the COVID-19 outbreak on the operations of the company and the resultant effect on its financial position, the directors took measures such as cutting costs with a programme of redundancies, vacating buildings where possible and applying for furlough and other support grants wherever possible.

Whilst the risks cannot be completely mitigated and therefore some level of future uncertainty remains, the directors have reviewed detailed forecasts and consider the group is able to continue meeting its liabilities as they fall due in the foreseeable future which is considered to be a period of twelve months from the date of approving the financial statements. In particular, the directors have considered the forecast level of cash held by the group and consider that a sufficient level of cash shall be held for the group to meet its liabilities even with a reduction in the expected level of future sales and cash collection.

OISE Holdings Limited has confirmed that it will continue to support the company financially for a period not less than twelve months from the date of approval of these financial statements.

Taking into account all of the above matters, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the director continues to adopt the going concern basis in preparing these financial statements.

INSTILL EDUCATION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Other matters

There are a number of risks and uncertainties that may affect the company's performance:

- A major outbreak of an infectious disease such as coronavirus;
- The British Home Offices "hostile environment" which leads to a growing number of visa refusals;
- Better language education in the pupils' own country.

The company ensures that its exposure to a downturn in a particular trading sector is managed by continuing to broaden its activities by increasing the depth of the education it provides. The company also has a wide range of customers, which limits exposure to any material loss of revenue from any one specific source.

The financial risk management objectives of the company in relation to financial instruments are set by the board of its ultimate parent company OISE Holdings Limited with a view to minimising the group's exposure to price, credit, liquidity and cash flow risks. The use of derivative instruments is made to mitigate risks or enhance returns, subject to strict control of exposures.

On behalf of the board



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Till Gins

Director

Date: 12/12/22
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INSTILL EDUCATION LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The director presents his annual report and financial statements for the year ended 31 December 2021.

Principal activities

The company is principally engaged in arranging language courses for overseas students.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Till Gins

Results and dividends

The results for the year are set out on page 8. No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Director's insurance

During the year, the group in which the company is a member maintained professional indemnity insurance in respect of its director, officers and senior management.

Post reporting date events

On 21 July 2022 the company paid the landlord of 13-15 High Street, Oxford £120,000 (£100,000 plus irrecoverable VAT) to surrender the lease for that property which was due to expire on 19 February 2024. In exchange the landlord released the company from all liabilities whatsoever under the lease whether past, present or future. As at 31 December 2021 the company owed the landlord unpaid rent, service charges and insurance included in trade debtors of £257,221 and prepayments for 2022 amounting to £27,623.

Auditor

RSM UK Audit LLP has indicated its willingness to continue in office and its reappointment will be proposed in accordance with section 485 of the Companies Act 2006.

Matters included in the strategic report

As permitted by the Companies Act 2006, s. 414C(11) the company has chosen to set out in its strategic report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the director's report. It has done so in respect of future developments and financial risk management objectives and policies.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that he ought to have taken as a director in order to make himself aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



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Till Gins

Director

Date: 12/12/22

INSTILL EDUCATION LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

The director is responsible for preparing the Strategic Report and the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

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

The director is 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. He is 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTILL EDUCATION LIMITED

Opinion

We have audited the financial statements of Instill Education Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTILL EDUCATION LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement set out on page 4, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTILL EDUCATION LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are The Education (Scotland) Act (1980), Standards in Scotland's Schools etc. Act 2000, Children and Young People (Scotland) Act 2014, Education (Scotland) Act 2016, and the General Data Protection Regulation (as adopted in the UK by the Data Protection Act 2018). We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and revenue cut off as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and reviewing a sample of sales transactions either side of the year end to ensure that revenue had been correctly recorded.

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

Use of our report

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

Kerry Gallagher

Kerry Gallagher (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire, RG1 3EU
14 December 2022

INSTILL EDUCATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	1,229,437	2,483,476
Cost of sales		(1,189,862)	(2,616,879)
Gross profit/(loss)		39,575	(133,403)
Administrative expenses		(1,711,175)	(4,141,183)
Other operating income	5	718,726	1,845,027
Loss before taxation	5	(952,874)	(2,429,559)
Tax on loss	6	-	111,375
Loss for the financial year		(952,874)	(2,318,184)

INSTILL EDUCATION LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Goodwill	7	225,790		278,937	
Tangible assets	8	2,154,843		2,361,868	
		<u>2,380,633</u>		<u>2,640,805</u>	
Current assets					
Debtors	9	3,789,734	4,307,087		
Cash at bank and in hand		108,025	221,042		
		<u>3,897,759</u>	<u>4,528,129</u>		
Creditors: amounts falling due within one year	10	<u>(1,277,356)</u>	<u>(1,215,024)</u>		
Net current assets		<u>2,620,403</u>		<u>3,313,105</u>	
Total assets less current liabilities		<u>5,001,036</u>		<u>5,953,910</u>	
Capital and reserves					
Called up share capital	12	100		100	
Profit and loss reserves	13	5,000,936		5,953,810	
Total equity		<u>5,001,036</u>		<u>5,953,910</u>	

The financial statements were approved and signed by the director and authorised for issue on 12/12/22



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Till Gins
Director

INSTILL EDUCATION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2020	100	8,271,994	8,272,094
Year ended 31 December 2020:			
Loss and total comprehensive income for the year	-	(2,318,184)	(2,318,184)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	100	5,953,810	5,953,910
Year ended 31 December 2021:			
Loss and total comprehensive income for the year	-	(952,874)	(952,874)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	<hr/> <hr/> 100	<hr/> <hr/> 5,000,936	<hr/> <hr/> 5,001,036

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Instill Education Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 14 Friars Entry, Oxford, OX1 2BZ.

The company's principal activities and nature of its operations are disclosed in the Director's Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The company ended the year with net current assets of £2,620,403 but recorded a loss for the financial year of £952,874. The director has therefore assessed going concern.

The company is a wholly-owned subsidiary in the group headed by OISE Holdings Limited. The group benefits from a healthy cash position thanks to CBILS and its equivalent in France, furlough schemes in the UK and other jurisdictions the group operates in and the sale of one of its properties in April 2022 for £1.643 million. The group has enough cash reserves to see it through into 2023 and beyond.

Although the main activity of the group is language training, the assets of the group include a large number of properties which we are still looking at leasing, selling or operating as serviced accommodation or offices. The latter is an option that looks to benefit from a growing demand.

Demand for language courses were negatively affected by the COVID-19 travel restrictions imposed by most countries, especially in the UK. However, we managed to switch some of the teaching to an online provision, which helped us to maintain a foothold among our traditional clientele until restrictions on travel were lifted and we were able to teach customers face to face.

In order to counter the impact of the COVID-19 outbreak on the operations of the company and the resultant effect on its financial position, the directors took measures such as cutting costs with a programme of redundancies, vacating buildings where possible and applying for furlough and other support grants wherever possible.

Whilst the risks cannot be completely mitigated and therefore some level of future uncertainty remains, the directors have reviewed detailed forecasts and consider the group is able to continue meeting its liabilities as they fall due in the foreseeable future which is considered to be a period of twelve months from the date of approving the financial statements. In particular, the directors have considered the forecast level of cash held by the group and consider that a sufficient level of cash shall be held for the group to meet its liabilities even with a reduction in the expected level of future sales and cash collection.

OISE Holdings Limited has confirmed that it will continue to support the company financially for a period not less than twelve months from the date of approval of these financial statements.

Taking into account all of the above matters, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the director continues to adopt the going concern basis in preparing these financial statements.

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of OISE Holdings Limited. These consolidated financial statements are available from its registered office, 14 Friars Entry, Oxford, OX1 2BZ.

Turnover

Turnover shown in the statement of comprehensive income represents income, excluding Value Added Tax, for courses which have run during the year. Income received in advance for courses running in future financial periods is deferred and released to turnover in those periods. The turnover and profit before tax are attributable to the one principal activity of the company arising in the United Kingdom.

Intangible fixed assets - goodwill

Goodwill represents the excess of cost of acquisition over the fair value of the separable net assets acquired and is amortised to profit or loss in equal instalments over its useful life which is considered to be 20 years.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Short-term leasehold improvements	Over the period of the lease
Fixtures & fittings	10%-25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and amounts due to group undertakings, 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. Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income or equity.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are not taxable or deductible, or that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of comprehensive income.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Foreign exchange

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the statement of comprehensive income.

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The key judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Useful economic life of goodwill

The annual amortisation charge is sensitive to any changes in the estimated useful life of goodwill. This is assessed on an annual basis, taking into account expected future cash flows and an appropriate discount rate. The carrying value of goodwill including amortisation charged in the year is disclosed in note 7.

Useful economic lives of tangible assets

The annual depreciation charge is sensitive to any changes in the estimated useful life and residual values of tangible assets. The useful economic lives and residual value is assessed on an annual basis and are amended only when evidence shows a change in the estimated economic lives or residual life. Criteria used to assess the economic life and residual value includes technological advancement, economic utilisation, physical condition of the asset and future investments. The carrying value of tangible fixed assets including depreciation charged in the year is disclosed in note 8.

Impairment of debtors

On a periodic basis management makes an estimation of the recoverability of debtors. Management makes such estimations based on the credit rating of debtors, the ageing profile, and historical experience. The carrying value of trade debtors is disclosed in note 9.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021 £	2020 £
Turnover analysed by class of business		
Provision of language courses for overseas students	1,229,437	2,483,476
	<u>1,229,437</u>	<u>2,483,476</u>
Turnover analysed by geographical market		
United Kingdom	1,229,437	2,483,476
	<u>1,229,437</u>	<u>2,483,476</u>

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

4 Employees

The average monthly number of persons employed by the company during the year was:

	2021 Number	2020 Number
Teaching	113	211
Administrative	16	59
Total	129	270

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	1,428,545	3,508,552
Social security costs	95,125	251,988
Pension costs	42,935	130,171
	1,566,605	3,890,711

During the current year and the prior year the director was remunerated by OISE Limited, for which no specific recharge was made.

5 Loss before taxation

	2021 £	2020 £
Loss before taxation for the year is stated after charging/(crediting):		
Exchange differences	283	(629)
Government grants	(718,726)	(1,845,027)
Depreciation of owned tangible fixed assets	256,592	401,189
Amortisation of intangible assets	53,147	235,237
Operating lease charges	108,080	312,568

The auditor has been remunerated through the parent company OISE Limited and its remuneration is shown in the financial statements of that company.

In the current year, government grants reflect Coronavirus Job Retention Scheme ('CJRS') grants received towards the employment costs of staff furloughed during the COVID-19 pandemic, a Business Support Grant and Additional Restrictions Grants. In the comparative year, government grants reflected CJRS grants and Retail, Hospitality and Leisure business support funding received in relation to COVID-19.

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Taxation

	2021 £	2020 £
Current tax		
Adjustments in respect of prior periods	-	(22,490)
Deferred tax		
Origination and reversal of timing differences	-	(81,409)
Adjustment in respect of prior periods	-	(7,476)
Total deferred tax	-	(88,885)
Total tax charge/(credit)	-	(111,375)

The total tax charge/(credit) for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2021 £	2020 £
Loss before taxation	(952,874)	(2,429,559)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(181,046)	(461,616)
Tax effect of expenses that are not deductible in determining taxable profit	399	113
Losses carried back	-	22,490
Deferred tax not recognised	320,471	324,513
Adjustments in respect of prior years	-	(22,490)
Deferred tax adjustments in respect of prior years	-	(7,476)
Fixed asset differences	14,972	23,513
Remeasurement of deferred tax for changes in tax rates	(154,796)	9,578
Taxation charge/(credit) for the year	-	(111,375)

Factors that may affect future tax charges

On 3 March 2021, the UK Government announced an increase in the main rate of corporation tax from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021.

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2021 and 31 December 2021	1,404,359
Amortisation and impairment	
At 1 January 2021	1,125,422
Amortisation charged for the year	53,147
At 31 December 2021	1,178,569
Carrying amount	
At 31 December 2021	225,790
At 31 December 2020	278,937

In the statement of comprehensive income, amortisation charged for the year is included within administrative expenses.

8 Tangible fixed assets

	Short-term leasehold improvements £	Fixtures & fittings £	Total £
Cost			
At 1 January 2021	2,743,102	2,494,310	5,237,412
Additions	11,986	37,581	49,567
Disposals	(413,088)	(931,823)	(1,344,911)
At 31 December 2021	2,342,000	1,600,068	3,942,068
Depreciation and impairment			
At 1 January 2021	1,050,479	1,825,065	2,875,544
Depreciation charged in the year	95,810	160,782	256,592
Eliminated in respect of disposals	(413,088)	(931,823)	(1,344,911)
At 31 December 2021	733,201	1,054,024	1,787,225
Carrying amount			
At 31 December 2021	1,608,799	546,044	2,154,843
At 31 December 2020	1,692,623	669,245	2,361,868

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

9 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	107,554	111,896
Corporation tax recoverable	22,490	22,490
Amounts owed by group undertakings	3,522,957	4,041,232
Prepayments and accrued income	136,733	131,469
	<u>3,789,734</u>	<u>4,307,087</u>

10 Creditors: amounts falling due within one year

	2021	2020
	£	£
Payments received on account	135,397	246,062
Trade creditors	1,111,089	850,990
Other creditors	17,416	71,612
Accruals and deferred income	13,454	46,360
	<u>1,277,356</u>	<u>1,215,024</u>

11 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>42,935</u>	<u>130,171</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. No contributions were outstanding at the end of the current or previous year.

12 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The company's ordinary shares, which carry no right to fixed income, carry the right to one vote at general meetings of the company.

13 Reserves

Profit and loss reserves

Profit and loss reserves reflect cumulative profits and losses net of distributions to owners.

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

14 Financial commitments, guarantees and contingent liabilities

In the normal course of business, the company has provided an unlimited guarantee as valuable security in connection with the banking facilities of the ultimate parent undertaking OISE Holdings Limited and other group companies. At 31 December 2021 the amount outstanding was £2,000,000 (2020 - £2,000,000), relating to amounts drawn down under the Coronavirus Business Interruption Loan Scheme ('CBILS').

The company had no other contingent liabilities at 31 December 2021.

15 Operating lease commitments

Lessee

Operating lease payments reflect rentals payable by the company for the leasehold land and buildings from which it undertakes its principal activity.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	106,800	416,109
Between one and five years	121,430	228,230
	<u>228,230</u>	<u>644,339</u>

16 Events after the reporting date

On 21 July 2022 the company paid the landlord of 13-15 High Street, Oxford £120,000 (£100,000 plus irrecoverable VAT) to surrender the lease for that property which was due to expire on 19 February 2024. In exchange the landlord released the company from all liabilities whatsoever under the lease whether past, present or future. As at 31 December 2021 the company owed the landlord unpaid rent, service charges and insurance included in trade debtors of £257,221 and prepayments for 2022 amounting to £27,623.

17 Related party transactions

During the year, Lanleya Limited charged the company £nil (2020 - £156,614) in relation to the leasing of certain properties. Lanleya Limited is a company owned by Till Gins, the director of Instill Education Limited. No amounts were outstanding at the end of the current or previous year.

18 Ultimate parent company and controlling party

The immediate parent company is OISE Limited. The ultimate parent company is OISE Holdings Limited. Both companies are incorporated in the United Kingdom and registered in England and Wales. OISE Holdings Limited heads the largest and smallest group for which consolidated financial statements are drawn up. The consolidated financial statements of OISE Holdings Limited are available from its registered office, 14 Friars Entry, Oxford, OX1 2BZ. The ultimate controlling party is Till Gins who owns 70% of the issued share capital of OISE Holdings Limited.