

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019
FOR
INSPIRED LEARNING GROUP (UK) LIMITED**

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FOR THE YEAR ENDED 31 AUGUST 2019**

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INSPIRED LEARNING GROUP (UK) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2019**

DIRECTORS:

A Mehta
Mrs H Lukha

REGISTERED OFFICE:

75 Park Lane
Croydon
Surrey
CR9 1XS

REGISTERED NUMBER:

01550681 (England and Wales)

AUDITORS:

Kings Mill Partnership
Chartered Accountants and Statutory Auditors
75 Park Lane
Croydon
Surrey
CR9 1XS

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The directors present their strategic report for the year ended 31 August 2019.

PRINCIPAL ACTIVITY

Inspired learning Group (UK) Limited is the parent company of "Westbury House School Limited", "The Study School Limited", "Walton Montessori Limited", "Grange Park Preparatory School Limited" and "Essendene Lodge School Limited" which provide Early Years Foundation Stage (EYFS) and Primary education to domestic and international students. The principal activities are :

- Primary Education - Primary education covering year six preparation.
- Early Years Foundation Stage - The Early Years Foundation Stage (EYFS) sets standards for the learning, development and care of children from 3 months to 5 years old.

REVIEW OF BUSINESS

The ILG family of Independent schools and nurseries deliver a rich education, combining passion and innovation to develop and inspire children in a nurturing environment for a vibrant future. We have invested in teachers, IT and infrastructure to create a forward-thinking environment that puts the pupils front and centre in small classes.

Our aim and ethos are to deliver inspired learning, designed to nurture each and every child's talent and help them achieve their full potential. All our preparatory schools are single form entry with capped class sizes of no more than 16 to ensure they are the destination of choice for families who seek engaging, co- educational and friendly learning environments with a holistic approach for every single child.

The Group continues to see strong growth, both organic and by acquisitions. During the year the Group acquired Essendene Lodge School Limited.

The Group continues to develop it's management capability across the board. The group is employing a reporting inspector as Head of Operations and a Chair of Governors to bring further depth and experience to help the Group deliver it's strategic plan in the coming years. All our schools and Nurseries are awarded good or above by Ofsted and ISI. In particular, St Christopher's School and Grange Park Preparatory School have been awarded with "Excellent" in all areas of inspection by ISI.

FINANCIAL PERFORMANCE AND KEY PERFORMANCE INDICATORS

The results for the period and financial position of the company are as shown below in the annexed financial statements. The company's key financial highlights are as follows:

Key Financial Indicators	Year to 31 August 2019	Year to 31 August 2018	Variance 2019 vs 2018
Turnover	4,078,580	3,838,178	6%
Cost of Sales	2,989,352	2,675,678	12%
Gross Profit	1,089,228	1,162,500	(6%)
Gross Profit %	27%	30%	(3%)
Administrative Expenses	1,570,190	985,651	59%
Profit for the financial year	632,521	158,431	327%

REVIEW OF ENVIRONMENTAL FACTORS

During the period, the Group was affected by the movement of parents resulting from the Brexit referendum, which in turn had an impact on the number of children attending preparatory schools and nurseries in the UK. The Group is also likely to be impacted by the COVID-19 pandemic.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the business is around continued recruitment of new students, which is influenced by certain external factors such as Brexit and COVID-19.

FUTURE DEVELOPMENT

The Group continues to seek and develop expansion opportunities across all its academic activities in the UK.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

EQUAL OPPORTUNITIES

Inspired Learning Group is committed to ensuring that applicants and employees from all sections of the community are treated equally and not discriminated against on the grounds of gender, colour, race, nationality, marital or civil partnership status, religion or belief, sexual orientation, disability or age.

There are procedures in place which assist us in monitoring who is applying for employment with us, our adherence to equal opportunities best practice and our progress towards identifying any barriers to diversity among our workforce. These objectives comply with the requirements of the Equality Act 2010.

ON BEHALF OF THE BOARD:

A Mehta - Director

15 December 2020

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2019**

The directors present their report with the financial statements of the company for the year ended 31 August 2019.

DIVIDENDS

The total distribution of dividends for the year ended 31 August 2019 will be £ 97,489 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2018 to the date of this report.

A Mehta
Mrs H Lukha

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Kings Mill Partnership, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A Mehta - Director

15 December 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSPIRED LEARNING GROUP (UK) LIMITED

Opinion

We have audited the financial statements of Inspired Learning Group (UK) Limited (the 'company') for the year ended 31 August 2019 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted 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 Auditors' 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

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

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

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 2 to the financial statements concerning the company's ability to continue as a going concern.

The company is entitled to and has applied for all of the reliefs provided by the Government as a response to the unprecedented COVID-19 lockdown in the United Kingdom. These conditions, along with other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. Our evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting included reviewing cash flows and considering the general state of the economy and the company's business.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSPIRED LEARNING GROUP (UK) LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

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

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

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSPIRED LEARNING GROUP (UK) LIMITED**

Use of our report

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

Romit Basu FCA (Senior Statutory Auditor)
for and on behalf of Kings Mill Partnership
Chartered Accountants and Statutory Auditors
75 Park Lane
Croydon
Surrey
CR9 1XS

15 December 2020

**INCOME STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	2019 £	£	2018 £	£
TURNOVER			4,078,580		3,838,178
Cost of sales			<u>2,989,352</u>		<u>2,675,678</u>
GROSS PROFIT			1,089,228		1,162,500
Administrative expenses			<u>1,570,190</u>		<u>985,651</u>
			(480,962)		176,849
Other operating income			-		6,820
OPERATING (LOSS)/PROFIT	4		(480,962)		183,669
Income from shares in group undertakings		1,250,000		200,000	
Interest receivable and similar income		<u>-</u>		<u>38</u>	
			1,250,000		200,038
			769,038		383,707
Interest payable and similar expenses	5		<u>260,946</u>		<u>192,584</u>
PROFIT BEFORE TAXATION			508,092		191,123
Tax on profit	6		<u>(124,429)</u>		<u>32,692</u>
PROFIT FOR THE FINANCIAL YEAR			<u>632,521</u>		<u>158,431</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	2019 £	2018 £
PROFIT FOR THE YEAR		632,521	158,431
OTHER COMPREHENSIVE INCOME			
Gain on property revaluations		-	3,293,446
Deferred tax on revaluations		-	(625,755)
Income tax relating to components of other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		-	2,667,691
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>632,521</u>	<u>2,826,122</u>

STATEMENT OF FINANCIAL POSITION
31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Intangible assets	8		611,352		707,834
Tangible assets	9		7,764,345		6,750,586
Investments	10		<u>2,290,925</u>		<u>1,564,425</u>
			10,666,622		9,022,845
CURRENT ASSETS					
Debtors	11	2,865,597		2,631,345	
Cash at bank		<u>71,117</u>		<u>644,363</u>	
		2,936,714		3,275,708	
CREDITORS					
Amounts falling due within one year	12	<u>2,099,821</u>		<u>2,591,734</u>	
NET CURRENT ASSETS			836,893		683,974
TOTAL ASSETS LESS CURRENT LIABILITIES			11,503,515		9,706,819
CREDITORS					
Amounts falling due after more than one year	13		(6,201,385)		(4,993,421)
PROVISIONS FOR LIABILITIES	16		<u>(1,004,630)</u>		<u>(950,930)</u>
NET ASSETS			<u>4,297,500</u>		<u>3,762,468</u>
CAPITAL AND RESERVES					
Called up share capital	17		1,100		1,100
Non-distributable reserve	18		3,642,084		3,642,084
Retained earnings	18		<u>654,316</u>		<u>119,284</u>
SHAREHOLDERS' FUNDS			<u>4,297,500</u>		<u>3,762,468</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 December 2020 and were signed on its behalf by:

A Mehta - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2019**

	Called up share capital £	Retained earnings £	Non-distributable reserve £	Total equity £
Balance at 1 September 2017	1,100	40,853	974,393	1,016,346
Changes in equity				
Dividends	-	(80,000)	-	(80,000)
Total comprehensive income	-	158,431	2,667,691	2,826,122
Balance at 31 August 2018	<u>1,100</u>	<u>119,284</u>	<u>3,642,084</u>	<u>3,762,468</u>
Changes in equity				
Dividends	-	(97,489)	-	(97,489)
Total comprehensive income	-	632,521	-	632,521
Balance at 31 August 2019	<u>1,100</u>	<u>654,316</u>	<u>3,642,084</u>	<u>4,297,500</u>

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	(833,461)	504,002
Interest paid		(260,946)	(192,584)
Net cash from operating activities		<u>(1,094,407)</u>	<u>311,418</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(162,316)
Purchase of tangible fixed assets		(1,185,772)	(367,449)
Purchase of fixed asset investments		(776,500)	(1,543,755)
Sale of tangible fixed assets		-	5,051
Interest received		-	38
Dividends received		1,250,000	200,000
Net cash from investing activities		<u>(712,272)</u>	<u>(1,868,431)</u>
Cash flows from financing activities			
New loans in year and loan repayments		1,211,263	2,163,160
Capital repayments in year		119,659	103,244
Equity dividends paid		(97,489)	(80,000)
Net cash from financing activities		<u>1,233,433</u>	<u>2,186,404</u>
(Decrease)/increase in cash and cash equivalents		<u>(573,246)</u>	<u>629,391</u>
Cash and cash equivalents at beginning of year	2	644,363	14,972
Cash and cash equivalents at end of year	2	<u><u>71,117</u></u>	<u><u>644,363</u></u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**
1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019	2018
	£	£
Profit before taxation	508,092	191,123
Depreciation charges	268,495	162,795
Profit on disposal of fixed assets	-	(6,820)
Finance costs	260,946	192,584
Finance income	<u>(1,250,000)</u>	<u>(200,038)</u>
	(212,467)	339,644
Increase in trade and other debtors	(56,123)	(1,429,449)
(Decrease)/increase in trade and other creditors	<u>(564,871)</u>	<u>1,593,807</u>
Cash generated from operations	<u>(833,461)</u>	<u>504,002</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 August 2019

	31.8.19	1.9.18
	£	£
Cash and cash equivalents	<u>71,117</u>	<u>644,363</u>

Year ended 31 August 2018

	31.8.18	1.9.17
	£	£
Cash and cash equivalents	<u>644,363</u>	<u>14,972</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. STATUTORY INFORMATION

Inspired Learning Group (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about Inspired Learning Group (UK) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Oakseal Ltd., 75 Park Lane, Croydon, Surrey, CR9 1XS.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Going concern

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. In the UK this began on 23rd March 2020. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic condition. The company is likely to be affected in the form of loss of income, however it will benefit from savings in costs and therefore this will not significantly impact the entity's financial position.

The company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31st August 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the company for future periods.

As part of the directors' assessment of going concern, they have prepared detailed cash flow and profit and loss forecasts for the next 12 months. The forecasts have been prepared on an appropriate basis, taking into account the current economic conditions that exist.

After making appropriate enquires, the directors have a reasonable expectation that the company has adequate resources to enable it to continue in operational existence for the foreseeable future. They believe it is appropriate to prepare the accounts on a going concern basis.

Turnover

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

2. ACCOUNTING POLICIES - continued

Goodwill

Goodwill is measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of goodwill less its residual values over its estimated useful life, using the straight-line method. The Goodwill is amortised over the following useful economic lives:

Goodwill - 10 years

If there is an indication that there has been a significant change in amortisation rate or residual value of the asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Buildings	- 1% per annum
Plant & machinery	- 10% reducing balance
Fixtures and fittings	- 10% reducing balance
Computer equipment	- 20% reducing balance

At each statement of financial position date, the company reviews the carrying amount of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an 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 the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

It is the company's policy to keep the freehold buildings in a good state of repair. The condition of buildings are constantly monitored and repairs are undertaken to ensure that the properties do not fall into a state of disrepair. The estimated depreciation charge on buildings is 1% per annum. As such, this charge is only accounted for, if and when the amount becomes material to the financial statements. The directors are satisfied that this treatment is appropriate for the financial statements.

REVALUATION OF TANGIBLE FIXED ASSETS

Fixed Assets are recognised initially at cost and subsequently at market value based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Land is not depreciated. Properties are revalued according to market conditions at the year-end. Unrealised gains and losses on revaluation is only realised on disposal of the asset.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Trade and other debtors

Trade and other debtors that are receivable within one year and do not constitute a financing transaction are recorded at the undiscounted amount expected to be received, net of impairment.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

TRADE AND OTHER CREDITORS

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

3. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	2,340,717	2,029,208
Social security costs	198,248	167,077
Other pension costs	75,092	74,834
	<u>2,614,057</u>	<u>2,271,119</u>

The average number of employees during the year was as follows:

	2019	2018
Head Office	18	13
Schools and Nurseries	87	80
	<u>105</u>	<u>93</u>

	2019	2018
	£	£
Directors' remuneration	<u>58,444</u>	<u>43,331</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

4. OPERATING (LOSS)/PROFIT

The operating loss (2018 - operating profit) is stated after charging/(crediting):

	2019 £	2018 £
Depreciation - owned assets	172,013	66,313
Profit on disposal of fixed assets	-	(6,820)
Goodwill amortisation	96,482	96,482
Auditors' remuneration	<u>30,260</u>	<u>12,060</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Bank interest	260,917	183,338
Other interest charges	<u>29</u>	<u>9,246</u>
	<u>260,946</u>	<u>192,584</u>

6. TAXATION**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit for the year was as follows:

	2019 £	2018 £
Deferred tax	<u>(124,429)</u>	<u>32,692</u>
Tax on profit	<u>(124,429)</u>	<u>32,692</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 August 2019.

	2018 Gross £	2018 Tax £	2018 Net £
Gain on property revaluations	3,293,446	-	3,293,446
Deferred tax on revaluations	<u>(625,755)</u>	<u>-</u>	<u>(625,755)</u>
	<u>2,667,691</u>	<u>-</u>	<u>2,667,691</u>

7. DIVIDENDS

	2019 £	2018 £
Final	<u>97,489</u>	<u>80,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 September 2018 and 31 August 2019	<u>1,232,316</u>
AMORTISATION	
At 1 September 2018	524,482
Amortisation for year	<u>96,482</u>
At 31 August 2019	<u>620,964</u>
NET BOOK VALUE	
At 31 August 2019	<u>611,352</u>
At 31 August 2018	<u>707,834</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 September 2018	6,559,911	8,949	554,678
Additions	<u>817,671</u>	<u>108,294</u>	<u>182,221</u>
At 31 August 2019	<u>7,377,582</u>	<u>117,243</u>	<u>736,899</u>
DEPRECIATION			
At 1 September 2018	421,709	4,115	202,207
Charge for year	<u>67,840</u>	<u>3,713</u>	<u>43,844</u>
At 31 August 2019	<u>489,549</u>	<u>7,828</u>	<u>246,051</u>
NET BOOK VALUE			
At 31 August 2019	<u>6,888,033</u>	<u>109,415</u>	<u>490,848</u>
At 31 August 2018	<u>6,138,202</u>	<u>4,834</u>	<u>352,471</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

9. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2018	-	314,798	7,438,336
Additions	19,700	57,886	1,185,772
At 31 August 2019	19,700	372,684	8,624,108
DEPRECIATION			
At 1 September 2018	-	59,719	687,750
Charge for year	430	56,186	172,013
At 31 August 2019	430	115,905	859,763
NET BOOK VALUE			
At 31 August 2019	19,270	256,779	7,764,345
At 31 August 2018	-	255,079	6,750,586

The freehold properties were valued on an open market basis on 19th June 2017 by professional valuers Davis Coffey Lyon who are members of the Royal Institution of Chartered Surveyors.

Revaluations are shown through the Income Statement and deferred tax is calculated on these as appropriate. Any unrealised gains/losses on the revaluation of properties are shown in a non-distributable reserve on the Statement of Financial Position.

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 September 2018	1,564,425
Additions	776,500
Impairments	(50,000)
At 31 August 2019	2,290,925
NET BOOK VALUE	
At 31 August 2019	2,290,925
At 31 August 2018	1,564,425

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

10. FIXED ASSET INVESTMENTS - continued

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

St. Christopher's School (Private) Limited

Registered office: See Company Information page for registered office

Nature of business: Dormant

	% holding	2019 £	2018 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>50,000</u>	<u>50,000</u>

Buxlow Preparatory School Limited

Registered office: See Company Information page for registered office

Nature of business: Dormant

	% holding	2019 £	2018 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>2,670</u>	<u>2,670</u>

The Study School Limited

Registered office: See Company Information page for registered office

Nature of business: Educational Services

	% holding	2019 £	2018 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		906,758	1,317,052
Profit for the year		<u>339,706</u>	<u>238,118</u>

Westbury House School Limited

Registered office: See Company Information page for registered office

Nature of business: Educational Services

	% holding	2019 £	2018 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		937,516	934,721
Profit/(loss) for the year		<u>2,795</u>	<u>(69,517)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

10. FIXED ASSET INVESTMENTS - continued

Walton Montessori Limited

Registered office: See Company Information page for registered office

Nature of business: Educational Services

	% holding	2019	2018
Class of shares:		£	£
Ordinary	100.00	22,705	85,153
Aggregate capital and reserves		<u>87,552</u>	<u>61,432</u>
Profit for the year			

Grange Park Preparatory School Limited

Registered office: See Company Information page for registered office

Nature of business: Educational Services

	% holding	2019	2018
Class of shares:		£	£
Ordinary	100.00	239,501	494,678
Aggregate capital and reserves		<u>44,823</u>	<u>131,092</u>
Profit for the year			

Essendene Lodge School Limited

Registered office: See Company Information page for registered office

Nature of business: Educational Services

	% holding	2019	2018
Class of shares:		£	£
Ordinary	100.00	239,501	494,578
Aggregate capital and reserves		<u>44,823</u>	<u>131,092</u>
Profit for the period/year			

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	63,506	284,301
Other debtors	1,056,565	673,907
Deferred tax asset	178,129	-
Amounts owed by group undertakings	1,329,071	1,380,981
Prepayments and accrued income	<u>238,326</u>	<u>292,156</u>
	<u>2,865,597</u>	<u>2,631,345</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank loans and overdrafts (see note 14)	430,793	349,285
Finance leases (see note 15)	84,906	43,456
Trade creditors	410,044	456,039
Social security & other taxes	214,105	41,942
Other creditors	487,617	863,440
Bank overdrafts	30,158	-
Amounts owed to group undertakings	409,358	775,855
Directors' loan account	11,000	369
Accruals and deferred income	21,840	61,348
	<u>2,099,821</u>	<u>2,591,734</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Bank loans (see note 14)	6,063,388	4,933,633
Finance leases (see note 15)	137,997	59,788
	<u>6,201,385</u>	<u>4,993,421</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>430,793</u>	<u>349,285</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>1,723,162</u>	<u>1,397,142</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>4,340,226</u>	<u>3,536,491</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

15. LEASING AGREEMENTS

Minimum lease payments under finance leases fall due as follows:

	Finance leases	
	2019	2018
	£	£
Gross obligations repayable:		
Within one year	114,634	56,770
Between one and five years	159,015	69,006
	<u>273,649</u>	<u>125,776</u>
Finance charges repayable:		
Within one year	29,728	13,314
Between one and five years	21,018	9,218
	<u>50,746</u>	<u>22,532</u>
Net obligations repayable:		
Within one year	84,906	43,456
Between one and five years	137,997	59,788
	<u>222,903</u>	<u>103,244</u>

16. PROVISIONS FOR LIABILITIES

	2019	2018
	£	£
Deferred tax		
Accelerated capital allowances	150,314	96,614
Other timing differences	854,316	854,316
	<u>1,004,630</u>	<u>950,930</u>
		Deferred tax
		£
Balance at 1 September 2018		950,930
Charge to Income Statement during year		53,700
Balance at 31 August 2019		<u>1,004,630</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2019	2018
			£	£
1,100	Ordinary	£1	<u>1,100</u>	<u>1,100</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

18. RESERVES

	Retained earnings £	Non-distributable reserve £	Totals £
At 1 September 2018	119,284	3,642,084	3,761,368
Profit for the year	632,521	-	632,521
Dividends	(97,489)	-	(97,489)
At 31 August 2019	<u>654,316</u>	<u>3,642,084</u>	<u>4,296,400</u>

19. ULTIMATE PARENT COMPANY

The ultimate parent company is Oakseal Ltd., a limited company incorporated in England & Wales which holds 100% shareholding of Inspired Learning Group (UK) Limited. The parent undertaking's registered address is 75 Park Lane, Croydon, Surrey, CR9 1XS.

The consolidated financial statements for the group are available to the public and may be obtained from Companies House (England and Wales) as well as from the address of the parent undertaking above.

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

As at 31st August 2019, a balance of £11,000 (2018: £369) was owed to Director A Mehta.

21. ULTIMATE CONTROLLING PARTY

The ultimate controlling party for the period was Mr A Mehta.

Mr A Mehta owns 100% share capital of Oakseal Ltd. which in turn owns 100% share capital of Inspired Learning Group (UK) Limited.

22. CHARGES

There exists charges over the company's assets as follows:

- Fixed and floating charge over all undertaking and property as per debenture dated 8th August 2019
- Charge over Essendene Lodge School and land adjoining with title numbers SY464861, SY507348 and SY481784 as per debenture dated 5th February 2019
- Fixed and floating charge over all undertaking and property as per debenture dated 22nd January 2019
- Charge over Freehold Property with title number MX402538 as per debenture dated 30th October 2015
- Fixed charge over all property or undertaking of the company as per debenture dated 29th May 2015
- Charge over property of St. Christopher's Preparatory School as per debenture dated 9th July 2014
- Charge over property of St. Nicholas's School as per debenture dated 9th July 2014
- Charge over property of Buxlow Preparatory School as per debenture dated 9th July 2014
- Fixed and floating charge over all undertaking and property as per debenture dated 12th October 2012
- Charge over property of Buxlow Preparatory School as per debenture dated 18th October 2012

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.