

REGISTERED NUMBER: 01550681 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022
FOR
INSPIRED LEARNING GROUP (UK) LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	5
Income Statement	9
Other Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Statement of Cash Flows	14
Notes to the Financial Statements	15

INSPIRED LEARNING GROUP (UK) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2022**

DIRECTORS:

A Mehta
Mrs H Lukha

REGISTERED OFFICE:

Georgian House
Park Lane
Stanmore
HA7 3HD

REGISTERED NUMBER:

01550681 (England and Wales)

AUDITORS:

DSK Partners LLP
Chartered Accountants and Statutory Auditors
D S House
306 High Street
Croydon
Surrey
CR0 1NG

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The directors present their strategic report for the year ended 31 August 2022.

PRINCIPAL ACTIVITY

Inspired learning Group (UK) Limited is the parent company of "Westbury House School Limited", "The Study School 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.

The Group continues to develop it's management capability across the board. All our schools and Nurseries are awarded good or above by Ofsted and 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 2022	Year to 31 August 2021	Variance 2022 vs 2021
Turnover	4,149,793	3,750,016	11%
Cost of Sales	2,938,584	2,616,876	12%
Gross Profit	1,211,209	1,133,140	7%
Gross Profit %	29%	30%	(1%)
Administrative Expenses	1,363,007	1,334,744	(5%)
Profit/(Loss) for the financial year	447,832	75,959	490%

REVIEW OF ENVIRONMENTAL FACTORS

Current economic uncertainty and steep increase in interest rates continue to affect our business.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the business is around continued recruitment of new students, which is influenced by demography and the economy. The continued increase in inflation and interest rates creates uncertainty and we are monitoring and taking steps to mitigate those risks.

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 2022**

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.

This form assists 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 workforces. These objectives comply with the requirements of the Equality Act 2010.

ON BEHALF OF THE BOARD:

A Mehta - Director

30 August 2023

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 2022**

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

DIVIDENDS

The total distribution of dividends for the year ended 31 August 2022 will be £ 100,000 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2021 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, DSK Partners LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A Mehta - Director

30 August 2023

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 2022 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 2022 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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 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 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.

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

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.

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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The key laws and regulations we have considered in this context included the Companies Act 2006, pension and tax legislation. In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- o Using our general commercial and sector experience and through discussions with the directors and management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either as a result of fraud or error.

- o We examined the company's regulatory and legal correspondence and discussed with the directors and management any known or suspected instances of fraud or non-compliance with laws and regulations.

- o We communicated identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

- o In addressing the risk of management override of controls, we tested the appropriateness of journal entries. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements.

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

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.

Dhiraj Shah FCA (Senior Statutory Auditor)
for and on behalf of DSK Partners LLP
Chartered Accountants and Statutory Auditors
D S House
306 High Street
Croydon
Surrey
CR0 1NG

30 August 2023

**INCOME STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	2022 £	2021 £
TURNOVER		4,149,793	3,750,015
Cost of sales		<u>2,938,584</u>	<u>2,616,878</u>
GROSS PROFIT		1,211,209	1,133,137
Administrative expenses		<u>1,273,126</u> (61,917)	<u>1,334,743</u> (201,606)
Other operating income		<u>-</u>	<u>229,359</u>
OPERATING (LOSS)/PROFIT	4	(61,917)	27,753
Income from shares in group undertakings		<u>670,000</u> 608,083	<u>450,000</u> 477,753
Interest payable and similar expenses	5	<u>296,268</u>	<u>247,841</u>
PROFIT BEFORE TAXATION		311,815	229,912
Tax on profit	6	<u>(136,017)</u>	<u>153,953</u>
PROFIT FOR THE FINANCIAL YEAR		<u>447,832</u>	<u>75,959</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		447,832	75,959
OTHER COMPREHENSIVE INCOME			
Gain on property revaluations			
Deferred tax on revaluations			
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>447,832</u>	<u>75,959</u>

STATEMENT OF FINANCIAL POSITION
31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	8		494,017		483,936
Tangible assets	9		8,384,769		8,131,474
Investments	10		<u>2,290,924</u>		<u>2,290,924</u>
			11,169,710		10,906,334
CURRENT ASSETS					
Debtors	11	3,644,775		3,707,286	
Cash at bank and in hand		<u>89,866</u>		<u>47,413</u>	
		3,734,641		3,754,699	
CREDITORS					
Amounts falling due within one year	12	<u>3,358,922</u>		<u>2,725,337</u>	
NET CURRENT ASSETS			<u>375,719</u>		<u>1,029,362</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			11,545,429		11,935,696
CREDITORS					
Amounts falling due after more than one year	13		(6,457,063)		(7,059,145)
PROVISIONS FOR LIABILITIES	16		<u>(1,070,690)</u>		<u>(1,206,707)</u>
NET ASSETS			<u>4,017,676</u>		<u>3,669,844</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>374,492</u>		<u>26,660</u>
SHAREHOLDERS' FUNDS			<u>4,017,676</u>		<u>3,669,844</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 August 2023 and were signed on its behalf by:

A Mehta - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2022**

	Called up share capital £	Retained earnings £	Non-distributable reserve £	Total equity £
Balance at 1 September 2020	1,100	10,701	3,642,084	3,653,885
Changes in equity				
Dividends	-	(60,000)	-	(60,000)
Total comprehensive income	-	75,959	-	75,959
Balance at 31 August 2021	1,100	26,660	3,642,084	3,669,844
Changes in equity				
Dividends	-	(100,000)	-	(100,000)
Total comprehensive income	-	447,832	-	447,832
Balance at 31 August 2022	1,100	374,492	3,642,084	4,017,676

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	948,680	251,705
Interest paid		(296,268)	(247,841)
Tax paid		-	(30)
Net cash from operating activities		<u>652,412</u>	<u>3,834</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(48,274)	(2,608)
Purchase of tangible fixed assets		(541,377)	(302,589)
Dividends received		<u>670,000</u>	<u>450,000</u>
Net cash from investing activities		<u>80,349</u>	<u>144,803</u>
Cash flows from financing activities			
New loans in year and loan repayments		-	(179,503)
Loan repayments in year		(488,496)	-
Capital repayments in year		(101,812)	(113,147)
Equity dividends paid		<u>(100,000)</u>	<u>(60,000)</u>
Net cash from financing activities		<u>(690,308)</u>	<u>(352,650)</u>
Increase/(decrease) in cash and cash equivalents		<u>42,453</u>	<u>(204,013)</u>
Cash and cash equivalents at beginning of year	2	47,413	251,426
Cash and cash equivalents at end of year	2	<u>89,866</u>	<u>47,413</u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022 £	2021 £
Profit before taxation	311,815	229,912
Depreciation charges	326,275	310,923
Finance costs	296,268	247,841
Finance income	(670,000)	(450,000)
	264,358	338,676
Decrease in trade and other debtors	624,812	380,613
Increase/(decrease) in trade and other creditors	59,510	(467,584)
Cash generated from operations	948,680	251,705

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 2022

	31.8.22 £	1.9.21 £
Cash and cash equivalents	89,866	47,413

Year ended 31 August 2021

	31.8.21 £	1.9.20 £
Cash and cash equivalents	47,413	251,426

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.21 £	Cash flow £	At 31.8.22 £
Net cash			
Cash at bank and in hand	47,413	42,453	89,866
	47,413	42,453	89,866
Debt			
Finance leases	(173,459)	101,812	(71,647)
Debts falling due within 1 year	(710,791)	(43,929)	(754,720)
Debts falling due after 1 year	(6,954,326)	532,425	(6,421,901)
	(7,838,576)	590,308	(7,248,268)
Total	(7,791,163)	632,761	(7,158,402)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. STATUTORY INFORMATION

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

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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

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

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.

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	- 20 years
----------	------------

Taking into consideration market conditions, the directors have revised their opinion on the estimated useful economic life of goodwill from 10 years to 20 years. They have undertaken an impairment review and are satisfied that this revised adjustment in the life of goodwill is appropriate.

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.

Development costs are being amortised evenly over their estimated useful life of ten years.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

2. ACCOUNTING POLICIES - continued

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.

Government grants

Government and other grants are recognised as income when there is reasonable assurance that the grants or contributions will be received and the conditions attaching to the grants or contribution have been met. Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to income.

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 2022

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

	2022	2021
	£	£
Wages and salaries	2,363,920	2,275,623
Social security costs	248,548	170,081
Other pension costs	62,092	34,657
	<u>2,674,560</u>	<u>2,480,361</u>

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

	2022	2021
Head Office	21	23
Schools and Nurseries	95	88
	<u>116</u>	<u>111</u>

	2022	2021
	£	£
Directors' remuneration	<u>60,000</u>	<u>60,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

4. OPERATING (LOSS)/PROFIT

The operating loss (2021 - operating profit) is stated after charging:

	2022	2021
	£	£
Depreciation - owned assets	288,082	277,382
Goodwill amortisation	33,350	33,350
Development costs amortisation	4,843	192
Auditors' remuneration	<u>35,400</u>	<u>48,100</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	267,112	244,041
Other interest charges	<u>29,156</u>	<u>3,800</u>
	<u>296,268</u>	<u>247,841</u>

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

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

	2022	2021
	£	£
Current tax:		
UK corporation tax	-	30
Deferred tax	<u>(136,017)</u>	<u>153,923</u>
Tax on profit	<u>(136,017)</u>	<u>153,953</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 August 2022.

	Gross	2021 Tax	Net
	£	£	£
Gain on property revaluations			
Deferred tax on revaluations	<u>-</u>	<u>-</u>	<u>-</u>

7. DIVIDENDS

	2022	2021
	£	£
Final	<u>100,000</u>	<u>60,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

8. INTANGIBLE FIXED ASSETS

	Goodwill £	Development costs £	Totals £
COST			
At 1 September 2021	1,232,316	2,608	1,234,924
Additions	-	48,274	48,274
At 31 August 2022	<u>1,232,316</u>	<u>50,882</u>	<u>1,283,198</u>
AMORTISATION			
At 1 September 2021	750,796	192	750,988
Amortisation for year	33,350	4,843	38,193
At 31 August 2022	<u>784,146</u>	<u>5,035</u>	<u>789,181</u>
NET BOOK VALUE			
At 31 August 2022	<u>448,170</u>	<u>45,847</u>	<u>494,017</u>
At 31 August 2021	<u>481,520</u>	<u>2,416</u>	<u>483,936</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 September 2021	7,620,103	226,050	913,520
Additions	235,876	6,941	117,477
At 31 August 2022	<u>7,855,979</u>	<u>232,991</u>	<u>1,030,997</u>
DEPRECIATION			
At 1 September 2021	590,197	38,419	354,155
Charge for year	77,553	18,125	61,314
At 31 August 2022	<u>667,750</u>	<u>56,544</u>	<u>415,469</u>
NET BOOK VALUE			
At 31 August 2022	<u>7,188,229</u>	<u>176,447</u>	<u>615,528</u>
At 31 August 2021	<u>7,029,906</u>	<u>187,631</u>	<u>559,365</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

9. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2021	23,578	612,241	9,395,492
Additions	113,984	67,099	541,377
At 31 August 2022	137,562	679,340	9,936,869
DEPRECIATION			
At 1 September 2021	6,735	274,512	1,264,018
Charge for year	10,759	120,331	288,082
At 31 August 2022	17,494	394,843	1,552,100
NET BOOK VALUE			
At 31 August 2022	120,068	284,497	8,384,769
At 31 August 2021	16,843	337,729	8,131,474

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 2021 and 31 August 2022	2,290,924
NET BOOK VALUE	
At 31 August 2022	2,290,924
At 31 August 2021	2,290,924

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

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	2022	2021
Class of shares:		£	£
Ordinary	100.00	<u>50,000</u>	<u>50,000</u>
Aggregate capital and reserves			

Buxlow Preparatory School Limited

Registered office: See Company Information page for registered office

Nature of business: Dormant

	% holding	2022	2021
Class of shares:		£	£
Ordinary	100.00	<u>2,670</u>	<u>2,670</u>
Aggregate capital and reserves			

The Study School Limited

Registered office: See Company Information page for registered office

Nature of business: Educational Services

	% holding	2022	2021
Class of shares:		£	£
Ordinary	100.00	<u>191,453</u>	<u>(107,258)</u>
Aggregate capital and reserves		554,320	462,867
Profit/(loss) for the year			

Westbury House School Limited

Registered office: See Company Information page for registered office

Nature of business: Educational Services

	% holding	2022	2021
Class of shares:		£	£
Ordinary	100.00	<u>20,381</u>	<u>82,817</u>
Aggregate capital and reserves		1,089,834	1,079,453
Profit for the year			

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 202210. **FIXED ASSET INVESTMENTS - continued****Grange Park Preparatory School Limited**

Registered office: See Company Information page for registered office

Nature of business: Educational Services

	% holding	2022 £	2021 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		1,626,283	1,495,113
Profit for the year		<u>611,170</u>	<u>508,039</u>

Essendene Lodge School Limited

Registered office: See Company Information page for registered office

Nature of business: Educational Services

	% holding	2022 £	2021 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		355,700	319,197
Profit for the year		<u>116,503</u>	<u>92,901</u>

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Trade debtors	470,216	100,224
Other debtors	144,148	172,056
Deferred tax asset	178,129	178,129
Amounts owed by related parties	2,617,150	3,189,548
Prepayments and accrued income	<u>235,132</u>	<u>67,329</u>
	<u>3,644,775</u>	<u>3,707,286</u>

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Bank loans and overdrafts (see note 14)	754,720	710,791
Finance leases (see note 15)	36,485	68,640
Trade creditors	504,798	285,719
Social security & other taxes	244,180	431,250
Other creditors	1,212,458	861,256
Amounts owed to group undertakings	562,301	323,461
Accruals and deferred income	<u>43,980</u>	<u>44,220</u>
	<u>3,358,922</u>	<u>2,725,337</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

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

	2022	2021
	£	£
Bank loans (see note 14)	6,421,901	6,954,326
Finance leases (see note 15)	35,162	104,819
	<u>6,457,063</u>	<u>7,059,145</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>754,720</u>	<u>710,791</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>2,506,624</u>	<u>2,796,496</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>3,915,277</u>	<u>4,157,830</u>

The capital repayment during the year is amounting to £490,626.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

15. LEASING AGREEMENTS

Minimum lease payments under finance leases fall due as follows:

	Finance leases	
	2022	2021
	£	£
Gross obligations repayable:		
Within one year	44,923	87,514
Between one and five years	39,748	116,618
	<u>84,671</u>	<u>204,132</u>
Finance charges repayable:		
Within one year	8,438	18,874
Between one and five years	4,586	11,799
	<u>13,024</u>	<u>30,673</u>
Net obligations repayable:		
Within one year	36,485	68,640
Between one and five years	35,162	104,819
	<u>71,647</u>	<u>173,459</u>

16. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	(136,017)	153,922
Other timing differences	1,206,707	1,052,785
	<u>1,070,690</u>	<u>1,206,707</u>
		Deferred tax
		£
Balance at 1 September 2021		1,206,707
Provided during year		(136,017)
Balance at 31 August 2022		<u>1,070,690</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2022	2021
Number:	Class:		£	£
1,100	Ordinary	£1	<u>1,100</u>	<u>1,100</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2022

18. RESERVES

	Retained earnings £	Non-distributable reserve £	Totals £
At 1 September 2021	26,660	3,642,084	3,668,744
Profit for the year	447,832	-	447,832
Dividends	(100,000)	-	(100,000)
At 31 August 2022	<u>374,492</u>	<u>3,642,084</u>	<u>4,016,576</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 D S House, 306 High Street, Croydon, Surrey, CR0 1NG.

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. 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.

21. RELATED PARTY TRANSACTIONS

Warlingham Park School Limited, Walton Montessori Limited, The Orchard Kew Day Nursery Limited, Collingwood School Limited, Gidea Park College Limited, Saint Felix School Limited, Park Hill School Limited, First Steps (London) Limited, Trade Tower Limited and Inspired Learning Group (London) Limited are considered related parties by virtue of Mr A Mehta's interest in these entities. The amounts owed by the company by these related parties amount to £447,937 (was owed 2021: £3,189,548).

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 18th June 2014
- Charge over property of St. Nicholas's School as per debenture dated 18th June 2014
- Charge over property of Buxlow Preparatory School as per debenture dated 18th June 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 12th October 2012

There exists various cross guarantees amongst various group companies in favour of its bankers.

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.