

**REGISTERED NUMBER: 01550681 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020  
FOR  
INSPIRED LEARNING GROUP (UK) LIMITED**

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FOR THE YEAR ENDED 31 AUGUST 2020**

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**INSPIRED LEARNING GROUP (UK) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**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  
75 Park Lane  
Croydon  
Surrey  
CR9 1XS

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The directors present their strategic report for the year ended 31 August 2020.

**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 2020	Year to 31 August 2019	Variance 2020 vs 2019
Turnover	3,119,657	4,078,580	(24%)
Cost of Sales	3,046,356	2,989,352	2%
Gross Profit	73,301	1,089,228	(93%)
Gross Profit %	2%	27%	(25%)
Administrative Expenses	1,311,522	1,570,190	(16%)
(Loss)/Profit for the financial year	(580,953)	632,521	(192%)

**REVIEW OF ENVIRONMENTAL FACTORS**

During the period, environmental factors, such as movement of the parents resulting from Brexit referendum the number of students attending prep schools and nurseries in the UK. The business likely to have some impact during the COVID 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 2020**

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**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

28 May 2021

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The directors present their report with the financial statements of the company for the year ended 31 August 2020.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 August 2020 will be £ 62,662 .

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 September 2019 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

28 May 2021

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

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### **Opinion**

We have audited the financial statements of Inspired Learning Group (UK) Limited (the 'company') for the year ended 31 August 2020 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 2020 and of its loss 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**

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### **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](http://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**

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**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 DSK Partners LLP  
Chartered Accountants and Statutory Auditors  
75 Park Lane  
Croydon  
Surrey  
CR9 1XS

28 May 2021

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	2020 £	2019 £
<b>TURNOVER</b>		3,119,657	4,078,580
Cost of sales		<u>3,046,356</u>	<u>2,989,352</u>
<b>GROSS PROFIT</b>		73,301	1,089,228
Administrative expenses		<u>1,311,522</u>	<u>1,570,190</u>
		(1,238,221)	(480,962)
Other operating income		<u>557,210</u>	<u>-</u>
<b>OPERATING LOSS</b>	4	(681,011)	(480,962)
Income from shares in group undertakings		<u>430,000</u>	<u>1,250,000</u>
		(251,011)	769,038
Interest payable and similar expenses	5	<u>281,787</u>	<u>260,946</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(532,798)	508,092
Tax on (loss)/profit	6	<u>48,155</u>	<u>(124,429)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<u>(580,953)</u>	<u>632,521</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	2020 £	2019 £
<b>(LOSS)/PROFIT FOR THE YEAR</b>		(580,953)	632,521
<b>OTHER COMPREHENSIVE INCOME</b>			
Gain on property revaluations			
Deferred tax on revaluations			
Income tax relating to other comprehensive income		-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>(580,953)</u>	<u>632,521</u>

**STATEMENT OF FINANCIAL POSITION**  
**31 AUGUST 2020**

	Notes	2020 £	£	2019 £	£
<b>FIXED ASSETS</b>					
Intangible assets	8		514,870		611,352
Tangible assets	9		8,106,267		7,764,345
Investments	10		<u>2,290,924</u>		<u>2,290,925</u>
			10,912,061		10,666,622
<b>CURRENT ASSETS</b>					
Debtors	11	4,087,899		2,865,597	
Cash at bank		<u>251,426</u>		<u>71,117</u>	
		4,339,325		2,936,714	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>3,259,709</u>		<u>2,099,821</u>	
<b>NET CURRENT ASSETS</b>			<u>1,079,616</u>		<u>836,893</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			11,991,677		11,503,515
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(7,285,007)		(6,201,385)
<b>PROVISIONS FOR LIABILITIES</b>	16		<u>(1,052,785)</u>		<u>(1,004,630)</u>
<b>NET ASSETS</b>			<u>3,653,885</u>		<u>4,297,500</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		1,100		1,100
Non-distributable reserve	18		3,642,084		3,642,084
Retained earnings	18		<u>10,701</u>		<u>654,316</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>3,653,885</u>		<u>4,297,500</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 May 2021 and were signed on its behalf by:

A Mehta - Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Called up share capital £	Retained earnings £	Non-distributable reserve £	Total equity £
<b>Balance at 1 September 2018</b>	1,100	119,284	3,642,084	3,762,468
<b>Changes in equity</b>				
Dividends	-	(97,489)	-	(97,489)
Total comprehensive income	-	632,521	-	632,521
<b>Balance at 31 August 2019</b>	<u>1,100</u>	<u>654,316</u>	<u>3,642,084</u>	<u>4,297,500</u>
<b>Changes in equity</b>				
Dividends	-	(62,662)	-	(62,662)
Total comprehensive income	-	(580,953)	-	(580,953)
<b>Balance at 31 August 2020</b>	<u>1,100</u>	<u>10,701</u>	<u>3,642,084</u>	<u>3,653,885</u>

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(873,294)	(833,461)
Interest paid		<u>(281,787)</u>	<u>(260,946)</u>
Net cash from operating activities		<u>(1,155,081)</u>	<u>(1,094,407)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(468,795)	(1,185,772)
Purchase of fixed asset investments		-	(776,500)
Sale of fixed asset investments		22,705	-
Dividends received		<u>430,000</u>	<u>1,250,000</u>
Net cash from investing activities		<u>(16,090)</u>	<u>(712,272)</u>
<b>Cash flows from financing activities</b>			
New loans in year and loan repayments		1,350,439	1,211,263
Capital repayments in year		63,703	119,659
Equity dividends paid		<u>(62,662)</u>	<u>(97,489)</u>
Net cash from financing activities		<u>1,351,480</u>	<u>1,233,433</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>180,309</u>	<u>(573,246)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	71,117	644,363
<b>Cash and cash equivalents at end of year</b>	2	<u><u>251,426</u></u>	<u><u>71,117</u></u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2020**
**1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2020 £	2019 £
(Loss)/profit before taxation	(532,798)	508,092
Depreciation charges	223,355	268,495
Profit on disposal of fixed assets	(22,704)	-
Finance costs	281,787	260,946
Finance income	<u>(430,000)</u>	<u>(1,250,000)</u>
	(480,360)	(212,467)
Increase in trade and other debtors	(1,222,302)	(56,123)
Increase/(decrease) in trade and other creditors	<u>829,368</u>	<u>(564,871)</u>
<b>Cash generated from operations</b>	<u><u>(873,294)</u></u>	<u><u>(833,461)</u></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 2020**

	31.8.20 £	1.9.19 £
Cash and cash equivalents	<u>251,426</u>	<u>71,117</u>

**Year ended 31 August 2019**

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

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.9.19 £	Cash flow £	At 31.8.20 £
<b>Net cash</b>			
Cash at bank	<u>71,117</u>	<u>180,309</u>	<u>251,426</u>
	<u>71,117</u>	<u>180,309</u>	<u>251,426</u>
<b>Debt</b>			
Finance leases	(222,903)	(63,703)	(286,606)
Debts falling due within 1 year	(430,793)	(279,997)	(710,790)
Debts falling due after 1 year	<u>(6,063,388)</u>	<u>(1,070,442)</u>	<u>(7,133,830)</u>
	<u>(6,717,084)</u>	<u>(1,414,142)</u>	<u>(8,131,226)</u>
<b>Total</b>	<u><u>(6,645,967)</u></u>	<u><u>(1,233,833)</u></u>	<u><u>(7,879,800)</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**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 duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, is continuing and 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 2020**

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**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 2020**

**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**

	2020	2019
	£	£
Wages and salaries	2,598,224	2,340,717
Social security costs	215,677	198,248
Other pension costs	80,816	75,092
	<u>2,894,717</u>	<u>2,614,057</u>

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

	2020	2019
Head Office	23	18
Schools and Nurseries	84	87
	<u>107</u>	<u>105</u>

	2020	2019
	£	£
Directors' remuneration	<u>59,041</u>	<u>58,444</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**4. OPERATING LOSS**

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

	2020	2019
	£	£
Depreciation - owned assets	126,873	172,013
Profit on disposal of fixed assets	(22,704)	-
Goodwill amortisation	96,482	96,482
Auditors' remuneration	<u>19,908</u>	<u>30,260</u>

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020	2019
	£	£
Bank interest	276,578	260,917
Other interest charges	<u>5,209</u>	<u>29</u>
	<u>281,787</u>	<u>260,946</u>

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

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

	2020	2019
	£	£
Deferred tax	<u>48,155</u>	<u>(124,429)</u>
Tax on (loss)/profit	<u>48,155</u>	<u>(124,429)</u>

**Tax effects relating to effects of other comprehensive income**

There were no tax effects for the year ended 31 August 2020.

	Gross	2019 Tax	Net
	£	£	£
Gain on property revaluations			
Deferred tax on revaluations			
	<u>-</u>	<u>-</u>	<u>-</u>

**7. DIVIDENDS**

	2020	2019
	£	£
Final	<u>62,662</u>	<u>97,489</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2020

## 8. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 September 2019 and 31 August 2020	<u>1,232,316</u>
<b>AMORTISATION</b>	
At 1 September 2019	620,964
Amortisation for year	<u>96,482</u>
At 31 August 2020	<u>717,446</u>
<b>NET BOOK VALUE</b>	
At 31 August 2020	<u>514,870</u>
At 31 August 2019	<u>611,352</u>

## 9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 September 2019	7,377,582	117,243	736,899
Additions	<u>112,757</u>	<u>98,381</u>	<u>140,258</u>
At 31 August 2020	<u>7,490,339</u>	<u>215,624</u>	<u>877,157</u>
<b>DEPRECIATION</b>			
At 1 September 2019	489,549	7,828	246,051
Charge for year	<u>24,946</u>	<u>11,423</u>	<u>51,720</u>
At 31 August 2020	<u>514,495</u>	<u>19,251</u>	<u>297,771</u>
<b>NET BOOK VALUE</b>			
At 31 August 2020	<u>6,975,844</u>	<u>196,373</u>	<u>579,386</u>
At 31 August 2019	<u>6,888,033</u>	<u>109,415</u>	<u>490,848</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2020

## 9. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 September 2019	19,700	372,684	8,624,108
Additions	3,878	113,521	468,795
At 31 August 2020	<u>23,578</u>	<u>486,205</u>	<u>9,092,903</u>
<b>DEPRECIATION</b>			
At 1 September 2019	430	115,905	859,763
Charge for year	4,525	34,259	126,873
At 31 August 2020	<u>4,955</u>	<u>150,164</u>	<u>986,636</u>
<b>NET BOOK VALUE</b>			
At 31 August 2020	<u>18,623</u>	<u>336,041</u>	<u>8,106,267</u>
At 31 August 2019	<u>19,270</u>	<u>256,779</u>	<u>7,764,345</u>

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 £
<b>COST</b>	
At 1 September 2019	2,290,925
Disposals	(1)
At 31 August 2020	<u>2,290,924</u>
<b>NET BOOK VALUE</b>	
At 31 August 2020	<u>2,290,924</u>
At 31 August 2019	<u>2,290,925</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2020

## 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	2020 £	2019 £
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	2020 £	2019 £
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	2020 £	2019 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		820,125	906,758
Profit for the year		<u>193,367</u>	<u>339,706</u>

**Westbury House School Limited**

Registered office: See Company Information page for registered office

Nature of business: Educational Services

	% holding	2020 £	2019 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		996,636	937,516
Profit for the year		<u>59,120</u>	<u>2,795</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2020

## 10. FIXED ASSET INVESTMENTS - continued

**Grange Park Preparatory School Limited**

Registered office: See Company Information page for registered office

Nature of business: Educational Services

	% holding	2020	2019
Class of shares:		£	£
Ordinary	100.00		
Aggregate capital and reserves		987,074	841,285
Profit/(loss) for the year		<u>295,789</u>	<u>(126,036)</u>

**Essendene Lodge School Limited**

Registered office: See Company Information page for registered office

Nature of business: Educational Services

	% holding	2020	2019
Class of shares:		£	£
Ordinary	100.00		
Aggregate capital and reserves		426,296	239,501
Profit for the year		<u>186,794</u>	<u>44,823</u>

On 1st September 2019, the company transferred its investment in Walton Montessori Limited to Inspired Learning Group (London) Limited for a consideration amounting to £22,705 which was equivalent to the net asset value of Walton Montessori Limited as on 31 August 2019.

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

	2020	2019
	£	£
Trade debtors	40,348	63,506
Other debtors	306,789	1,056,565
Deferred tax asset	178,129	178,129
Amounts owed by group undertakings	2,948,892	1,329,071
Amounts owed by related parties	515,404	-
Prepayments and accrued income	<u>98,337</u>	<u>238,326</u>
	<u>4,087,899</u>	<u>2,865,597</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £	2019 £
Bank loans and overdrafts (see note 14)	710,790	430,793
Finance leases (see note 15)	135,429	84,906
Trade creditors	180,168	410,044
Social security & other taxes	370,979	214,105
Other creditors	579,406	487,617
Bank overdrafts	-	30,158
Amounts owed to group undertakings	1,244,937	409,358
Directors' loan account	-	11,000
Accruals and deferred income	38,000	21,840
	<u>3,259,709</u>	<u>2,099,821</u>

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

	2020 £	2019 £
Bank loans (see note 14)	7,133,830	6,063,388
Finance leases (see note 15)	151,177	137,997
	<u>7,285,007</u>	<u>6,201,385</u>

## 14. LOANS

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year or on demand:		
Bank loans	<u>710,790</u>	<u>430,793</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>2,563,163</u>	<u>1,723,162</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>4,570,667</u>	<u>4,340,226</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**15. LEASING AGREEMENTS**

Minimum lease payments under finance leases fall due as follows:

	Finance leases	
	2020	2019
	£	£
Gross obligations repayable:		
Within one year	165,119	114,634
Between one and five years	<u>173,018</u>	<u>159,015</u>
	<u>338,137</u>	<u>273,649</u>
Finance charges repayable:		
Within one year	29,690	29,728
Between one and five years	<u>21,841</u>	<u>21,018</u>
	<u>51,531</u>	<u>50,746</u>
Net obligations repayable:		
Within one year	135,429	84,906
Between one and five years	<u>151,177</u>	<u>137,997</u>
	<u>286,606</u>	<u>222,903</u>

**16. PROVISIONS FOR LIABILITIES**

	2020	2019
	£	£
Deferred tax		
Accelerated capital allowances	48,155	150,314
Other timing differences	<u>1,004,630</u>	<u>854,316</u>
	<u>1,052,785</u>	<u>1,004,630</u>
		Deferred tax
		£
Balance at 1 September 2019		1,004,630
Provided during year		<u>48,155</u>
Balance at 31 August 2020		<u>1,052,785</u>

**17. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2020	2019
			£	£
1,100	Ordinary	£1	<u>1,100</u>	<u>1,100</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**18. RESERVES**

	Retained earnings £	Non-distributable reserve £	Totals £
At 1 September 2019	654,316	3,642,084	4,296,400
Deficit for the year	(580,953)	-	(580,953)
Dividends	(62,662)	-	(62,662)
At 31 August 2020	<u>10,701</u>	<u>3,642,084</u>	<u>3,652,785</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 2020, a balance of £NIL (2019: £11,000) 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. RELATED PARTY TRANSACTIONS**

Walton Montessori Limited, Orchard Kew Day Nursery Limited and Inspired Learning Group (London) Limited are considered related parties by virtue of Mr A Mehta's interest in these entities. The amounts owing to the company by these related parties amount to £515,404 (2019: £465,030).

**23. CHARGES**

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

- Fixed and floating charge over all undertaking and property as per debenture dated 16th March 2020 (Satisfied on 6th October 2020)
- 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

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.