

Ipswich Education Limited

Report of the Directors and
Annual Report and Financial Statements
for the Year Ended 31 August 2021

Ipswich Education Limited

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Ipswich Education Limited

Company Information

Directors Ms Xuyan Lin
Mr Jing Wang
Ms Han Liwei
Mr Robert Tasker
Mr Michael Brewer

Registered office Woolverstone
Ipswich
Suffolk
IP9 1AZ

Auditors Wem & Co
& Registered Auditors
Savoy House
Savoy Circus
London
W3 7DA

Ipswich Education Limited

Strategic Report for the Year Ended 31 August 2021

The directors present their strategic report for the year ended 31 August 2021.

Principal activity

The principal activity of the company is that of a school.

Fair review of the business

This is the school's third year of operating as a co-educational school.

The financial statements show a loss for the year of £1,833,743 from a turnover of £5,552,649. As at 31 August 2021, the company had net liabilities of £5,715,736. The directors consider these results to be as anticipated, losses are expected to continue during a period of restructuring.

The directors are closely monitoring the expected losses and analysing areas of expenditure where efficiencies can be made. The recruitment of students is critical in order to achieve a return to profits. The current global pandemic is slowing the anticipated growth in the number of students especially from far afield, but the school is making progress in this area.

Principal risks and uncertainties

The key business risks and uncertainties affecting the company relate to recruitment levels of students, improving profitability, financing arrangements and ongoing compliance with current and future legislation affecting the sector.

The Covid 19 pandemic has affected the operations for independent schools and resulted in reduced income during the 2020/21 academic year and to date. The directors are unable to ascertain the quantum of full financial impact of the pandemic on the school.

Approved and authorised by the Board on 24 August 2022 and signed on its behalf by:

.....

Ms Xuyan Lin

Director

Ipswich Education Limited

Directors' Report for the Year Ended 31 August 2021

The directors present their report and the financial statements for the year ended 31 August 2021.

Directors of the company

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

Ms Xuyan Lin

Mr Jing Wang

Ms Han Liwei (appointed 5 February 2021)

Mr Robert Tasker (appointed 20 January 2021)

Mr Henry Blyth (ceased 21 September 2020)

Mr Michael Brewer (appointed 21 September 2020)

Going concern

In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies', the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting.

As anticipated at the time of re-structuring, the company continued to make losses in the financial year to 31 August 2021. The company is expected to return to profit over the following two to three years. The shareholders have agreed to provide financial support for the foreseeable future.

For these reasons, the directors consider it appropriate to prepare accounts on going concern basis.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved and authorised by the Board on 24 August 2022 and signed on its behalf by:

.....

Ms Xuyan Lin

Director

Ipswich Education Limited

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Ipswich Education Limited

Independent Auditor's Report to the Members of Ipswich Education Limited

Opinion

We have audited the financial statements of Ipswich Education Limited (the 'company') for the year ended 31 August 2021, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and 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 2021 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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 included in the annual report, other than the financial statements and our auditor's report 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.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements

are prepared is consistent with the financial statements; and

- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Ipswich Education Limited

Independent Auditor's Report to the Members of Ipswich Education Limited (continued)

Matters on which we are required to report by exception

In the light of our 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 and the Directors' Report.

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 4], 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditor Responsibilities for the audit of the financial statements

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

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 auditor's report. As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Ipswich Education Limited

Independent Auditor's Report to the Members of Ipswich Education Limited (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Alistair Ian Wem BSc BFP FCA (Senior Statutory Auditor)

For and on behalf of Wem & Co , Statutory Auditor

Savoy House

Savoy Circus

London

W3 7DA

25 August 2022

Ipswich Education Limited

Profit and Loss Account for the Year Ended 31 August 2021

	Note	31.08.21 £	31.08.20 £
Turnover	<u>3</u>	5,552,649	5,099,012
Cost of sales		<u>(5,072,383)</u>	<u>(5,260,341)</u>
Gross profit/(loss)		480,266	(161,329)
Administrative expenses		(2,149,395)	(1,867,582)
Other operating income	<u>4</u>	<u>120,386</u>	<u>297,072</u>
Operating loss		(1,548,743)	(1,731,839)
Interest payable and similar expenses	<u>5</u>	<u>(285,000)</u>	<u>(229,051)</u>
Loss before tax		(1,833,743)	(1,960,890)
Tax on loss	<u>8</u>	<u>-</u>	<u>(25,625)</u>
Loss for the financial year		<u><u>(1,833,743)</u></u>	<u><u>(1,986,515)</u></u>

The above results were derived from continuing operations.

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

The notes on pages 12 to 20 form an integral part of these financial statements.

Ipswich Education Limited
(Registration number: 10875162)
Balance Sheet as at 31 August 2021

	Note	31.08.21 £	31.08.20 £
Fixed assets			
Intangible assets	<u>9</u>	969,619	1,125,981
Tangible assets	<u>10</u>	6,741,937	6,813,177
		<u>7,711,556</u>	<u>7,939,158</u>
Current assets			
Debtors	<u>11</u>	467,705	606,529
Cash at bank and in hand		293,000	355,388
		760,705	961,917
Creditors: Amounts falling due within one year	<u>13</u>	<u>(14,175,338)</u>	<u>(12,770,409)</u>
Net current liabilities		<u>(13,414,633)</u>	<u>(11,808,492)</u>
Total assets less current liabilities		(5,703,077)	(3,869,334)
Provisions for liabilities	<u>14</u>	<u>(12,659)</u>	<u>(12,659)</u>
Net liabilities		<u>(5,715,736)</u>	<u>(3,881,993)</u>
Capital and reserves			
Called up share capital		1,800,000	1,800,000
Retained earnings		(7,515,736)	(5,681,993)
Shareholders' deficit		<u>(5,715,736)</u>	<u>(3,881,993)</u>

Approved and authorised by the Board on 24 August 2022 and signed on its behalf by:

.....
Ms Xuyan Lin
Director

The notes on pages 12 to 20 form an integral part of these financial statements.

Ipswich Education Limited

Statement of Changes in Equity for the Year Ended 31 August 2021

	Share capital £	Profit and loss account £	Total £
At 1 September 2020	1,800,000	(5,681,993)	(3,881,993)
Loss for the year	-	(1,833,743)	(1,833,743)
Total comprehensive income	-	(1,833,743)	(1,833,743)
At 31 August 2021	1,800,000	(7,515,736)	(5,715,736)
	Share capital £	Profit and loss account £	Total £
At 1 September 2019	1,000,000	(3,695,478)	(2,695,478)
Loss for the year	-	(1,986,515)	(1,986,515)
Total comprehensive income	-	(1,986,515)	(1,986,515)
New share capital subscribed	800,000	-	800,000
At 31 August 2020	1,800,000	(5,681,993)	(3,881,993)

The notes on pages 12 to 20 form an integral part of these financial statements.

Ipswich Education Limited

Statement of Cash Flows for the Year Ended 31 August 2021

	Note	31.08.21 £	31.08.20 £
Cash flows from operating activities			
Loss for the year		(1,833,743)	(1,986,515)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation		255,182	243,255
Finance income		(26)	(402)
Finance costs	<u>5</u>	285,000	194,658
Income tax expense	<u>8</u>	-	25,625
		(1,293,587)	(1,523,379)
Working capital adjustments			
Decrease/(increase) in trade debtors	<u>11</u>	138,824	(103,079)
Increase in trade creditors	<u>13</u>	1,428,916	126,847
(Decrease)/increase in deferred income, including government grants		(23,987)	219,616
Other miscellaneous movement		26	(34,446)
Net cash flow from operating activities		<u>250,192</u>	<u>(1,314,441)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(27,580)	-
Cash flows from financing activities			
Interest paid	<u>5</u>	(285,000)	(10,950)
Proceeds from issue of ordinary shares, net of issue costs		-	800,000
Redemption of shares classified as liabilities		-	(800,000)
5% 360 Bonds issued		-	4,500,000
Redemption of bonds		-	(7,820,000)
Loan from Bedstone Educational Ltd		-	5,700,000
Loan repaid to London and Oxford Capital Holding Ltd		-	(1,400,000)
Net cash flows from financing activities		<u>(285,000)</u>	<u>969,050</u>
Net decrease in cash and cash equivalents		(62,388)	(345,391)
Cash and cash equivalents at 1 September		<u>355,388</u>	<u>700,779</u>
Cash and cash equivalents at 31 August		<u><u>293,000</u></u>	<u><u>355,388</u></u>

The notes on pages 12 to 20 form an integral part of these financial statements.

Ipswich Education Limited

Notes to the Financial Statements for the Year Ended 31 August 2021

1. General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Woolverstone
Ipswich
Suffolk
IP9 1AZ
United Kingdom

These financial statements were authorised for issue by the Board on 24 August 2022.

2. Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The presentational currency is Pound Sterling (£).

Going concern

The financial statements have been prepared on a going concern basis.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Ipswich Education Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

2 Accounting policies (continued)

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold Property	The freehold property is maintained to a high standard and no depreciation is charged as in the opinion of the directors any such sum is immaterial
Plant & machinery	12.5% straight line
Motor vehicles	12.5% straight line
Computer equipment	25% on cost

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Website and branding	Over 3 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Ipswich Education Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

2 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Ipswich Education Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

2 Accounting policies (continued)

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends related to the liability component are charged as interest expense in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial assets or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

3. Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	31.08.21	31.08.20
	£	£
Rendering of services	5,552,649	5,099,012

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

	31.08.21	31.08.20
	£	£
UK	5,552,649	5,099,012

4. Other operating income

The analysis of the company's other operating income for the year is as follows:

	31.08.21	31.08.20
	£	£
Miscellaneous other operating income	120,386	297,072

5. Interest payable and similar expenses

	31.08.21	31.08.20
	£	£
Interest expense on other finance liabilities	285,000	229,051

Ipswich Education Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

6. Staff costs

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

	31.08.21	31.08.20
	£	£
Wages and salaries	3,048,730	3,429,007
Social security costs	291,585	302,249
Pension costs, defined contribution scheme	610,647	631,483
	<u>3,950,962</u>	<u>4,362,739</u>

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

	31.08.21	31.08.20
	No.	No.
Administration and support	53	50
Other departments	94	94
	<u>147</u>	<u>144</u>

7. Auditors' remuneration

	31.08.21	31.08.20
	£	£
Audit of the financial statements	<u>20,650</u>	<u>20,650</u>

8. Taxation

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

	31.08.21	31.08.20
	£	£
Deferred taxation		
Arising from origination and reversal of timing differences	<u>-</u>	<u>25,625</u>

The taxable losses available to carry forward to offset against future trading profits are £5.1 million.

Ipswich Education Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

9. Intangible assets

	Goodwill	Internally generated software development costs	Total
	£	£	£
Cost or valuation			
At 1 September 2020	1,551,390	14,681	1,566,071
At 31 August 2021	1,551,390	14,681	1,566,071
Amortisation			
At 1 September 2020	426,632	13,458	440,090
Amortisation charge	155,139	1,223	156,362
At 31 August 2021	581,771	14,681	596,452
Carrying amount			
At 31 August 2021	969,619	-	969,619
At 31 August 2020	1,124,758	1,223	1,125,981

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.

Website and branding is being amortised evenly over its estimated useful life of three years.

The directors have conducted an impairment review on the intangible fixed assets and while there is some uncertainty regarding the effects of Covid-19, this cannot still be reliably measured at present so consequently no provision has been made with regards to impairment losses. This will be reviewed again at the end of the next financial year.

Ipswich Education Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

10. Tangible assets

	Land and buildings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	6,488,701	426,578	115,146	12,000	7,042,425
Additions	6,768	13,929	3,384	3,499	27,580
At 31 August 2021	6,495,469	440,507	118,530	15,499	7,070,005
Depreciation					
At 1 September 2020	-	145,974	79,149	4,125	229,248
Charge for the year	-	67,257	29,626	1,937	98,820
At 31 August 2021	-	213,231	108,775	6,062	328,068
Carrying amount					
At 31 August 2021	6,495,469	227,276	9,755	9,437	6,741,937
At 31 August 2020	6,488,701	280,604	35,997	7,875	6,813,177

Included within the net book value of land and buildings above is £6,495,469 (2020 - £6,488,701) in respect of freehold land and buildings.

The freehold property is maintained to a high standard and no depreciation is charged, as in the opinion of the directors any such sum is immaterial.

National Westminster Bank Plc hold a fixed and floating charge over the land, fixtures & fittings and plant and machinery owned by the company.

The directors have considered the need to impair tangible fixed assets and are satisfied that no provision is necessary.

11. Debtors

	31.08.21 £	31.08.20 £
Current		
Trade debtors	8,844	50,932
Other debtors	236,505	407,941
Prepayments	222,356	147,656
	467,705	606,529

12. Cash and cash equivalents

	31.08.21 £	31.08.20 £
Cash at bank	293,000	355,388

Ipswich Education Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

13. Creditors

	Note	31.08.21 £	31.08.20 £
Due within one year			
Loans and borrowings	<u>17</u>	10,200,000	10,200,000
Trade Creditors		130,472	201,958
Amounts due to related parties		1,677,420	490,000
Social security and other taxes		94,634	89,495
Outstanding defined contribution pension costs		76,407	82,693
Student deposit account		581,740	594,970
Other creditors - Interest accrued on bonds and preference shares		225,000	172,274
Charity collections		1,885	3,376
Accruals		550,811	274,687
Deferred income		636,969	660,956
		<u>14,175,338</u>	<u>12,770,409</u>

14. Provisions for liabilities

	Total £
At 1 September 2020	<u>12,659</u>
At 31 August 2021	<u>12,659</u>

15. Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £610,647 (2020 - £631,483).

Contributions totalling £76,407 (2020 - £82,693) were payable to the scheme at the end of the year and are included in creditors.

Ipswich Education Limited

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16. Share capital

Allotted, called up and fully paid shares

	31.08.21		31.08.20	
	No.	£	No.	£
Ordinary shares of £0.01 each	180,000,000	1,800,000	180,000,000	1,800,000

17. Loans and borrowings

	31.08.21	31.08.20
	£	£
Current loans and borrowings		
Other borrowings	10,200,000	10,200,000

18. Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	31.08.21	31.08.20
	£	£
Not later than one year	-	6,073
Later than one year and not later than five years	-	7,221
	-	13,294

The amount of non-cancellable operating lease payments recognised as an expense during the year was £Nil (2020 - £14,714).

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