

Company Registration No. 06347465 (England and Wales)

BIMM LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

BIMM LIMITED

COMPANY INFORMATION

Directors	A Carswell V Hamilton D Jones-Owen
Secretary	A Carswell
Company number	06347465
Registered office	38-42 Brunswick Street West Hove Brighton East Sussex BN3 1EL
Auditors	Grant Thornton UK LLP Grant Thornton House Melton Street Euston Square London NW1 2EP

BIMM LIMITED

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BIMM LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2015

The Directors present their strategic report and financial statements for the year ended 31 August 2015.

Review of the business

The Directors of the business are satisfied with the results for the year ending 2015.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties affecting the company relate directly to the risks and uncertainties that might affect the value of its holdings. The majority of the group's revenue is secured at the start of the year by virtue of an annual recruitment process which ensures the vast majority of students have contracts in place by 1 September. In addition, the group has a number of contracts in place with university and college funding partners with these contracts generally being for a 3 to 5 year period.

The principal risk in the business is student achievement and retention rates. In the event that these were to fall significantly, this could result in a decline in student numbers and the potential loss of funding contracts with university and college partners. This risk is managed by placing educational quality at the heart of the group's activities.

The retention and achievement rates are strong in each college and are measured on a regular basis and reviewed by both the college principals and the directors. This process is also supported by a Quality and Student Support Team, who also review the information and follow up and resolve issues as they occur.

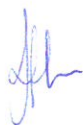
During 2015 further investment has been made in our Academic Development and Quality Assurance team ensuring that this is the key focus of the group's activities.

FINANCIAL RISK

The principal financial risks affecting the group's principal financial instruments comprise bank balances and loans, trade debtors and trade creditors. The purpose of these instruments is to raise funds to finance the group's operations. As a result the main risks the group is exposed to are credit risk and liquidity risk.

In the region of 85% of revenue is derived from students who avail of a student loan. Loans are paid by the Student Loan Company directly to BIMM during the course of the academic year. The Board consider there to be sufficient access to working capital facilities to manage the cycle with appropriate levels of headroom. Students who pay privately are required to do so in advance of the start of the Academic year.

On behalf of the board



24 MAY 2016.

D Jones-Owen
Director

BIMM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2015

The directors present their report and financial statements for the year ended 31 August 2015.

Principal activities and review of the business

BIMM Limited continued to be a holding company within the group.

Results and dividends

The results for the year are set out on page 6.

No dividends have been proposed for the year.

Directors

The following directors have held office since 1 September 2014:

A Carswell

V Hamilton

D J Myers – resigned 25th January 2016

N Frogbrook – resigned 1st June 2015

D Jones-Owen – appointed 4th November 2015

Auditors

The auditors, Grant Thornton UK LLP, are deemed to be appointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 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.

BIMM LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Qualifying 3rd party indemnity provisions

The company has provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of Companies Act 2006.

On behalf of the board



D Jones-Owen

Director

24 MAY 2016

BIMM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIMM LIMITED

We have audited the financial statements of BIMM Limited for the year ended 31 August 2015 which comprise the Profit and Loss account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 – 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2015 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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:

BIMM LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF BIMM LIMITED

- 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.



Perry Burton
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 25/5/16

BIMM LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Administrative expenses		(6,039)	(7,585)
Loss on ordinary activities before taxation	2	(6,039)	(7,585)
Tax on loss on ordinary activities	3	-	-
Loss for the year	8	(6,039)	(7,585)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

BIMM LIMITED

BALANCE SHEET AS AT 31 AUGUST 2015

	Notes	£	2015 £	£	2014 £
Fixed assets					
Investments	4		10,000,000		10,000,000
Current assets					
Debtors	5	1,008		10,551	
Creditors: amounts falling due within one year	6	<u>(1,342,876)</u>		<u>(1,346,380)</u>	
Net current liabilities			<u>(1,341,868)</u>		<u>(1,335,829)</u>
Total assets less current liabilities			<u>8,658,132</u>		<u>8,664,171</u>
Capital and reserves					
Called up share capital	7		6		6
Revaluation reserve	8		8,799,991		8,799,991
Profit and loss account	8		<u>(141,865)</u>		<u>(135,826)</u>
Shareholders' funds	9		<u>8,658,132</u>		<u>8,664,171</u>

Approved by the Board and authorised for issue on 24 MAY 2016



D Jones-Owen
Director

Company Registration No. 06347465

BIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Accounting convention

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, except for the investments in subsidiaries which are held at valuation.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. The carrying value is reviewed at the balance sheet date. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

1.4 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of BIMM 1 Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

2 Operating loss	2015	2014
	£	£
Operating loss is stated after charging:		
Auditors' remuneration (including expenses and benefits in kind)	-	1,300
	<u> </u>	<u> </u>

All audit costs are borne by the parent company BIMM 1 Limited

All directors in office at the period end are employed by, and receive their emoluments from, another group undertaking. No amounts have been paid or are owed at 31 August 2014 in respect of services supplied by the directors to the Company, since their services are for the group as a whole.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

3	Taxation	2015	2014
	Total current tax	-	-
		<hr/>	<hr/>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(6,039)	(7,585)
		<hr/>	<hr/>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.58% (2014 - 21.00%)	(1,243)	(1,593)
		<hr/>	<hr/>
	Effects of:		
	Tax losses surrendered to group companies	1,243	1,593
		<hr/>	<hr/>
		1,243	1,593
		<hr/>	<hr/>
	Current tax charge for the year	-	-
		<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

4 Fixed asset investments

	Shares in subsidiary undertakings £
Cost or valuation	
At 1 September 2014 & at 31 August 2015	10,000,000
Net book value	
At 31 August 2015	10,000,000
At 31 August 2014	10,000,000

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Rock Place Management Ltd	UK	Ordinary	100.00
No. 7 Ltd	UK	Ordinary	100.00
Kings Square Management Ltd	UK	Ordinary	100.00
South Coast Sounds Ltd	UK	Ordinary	100.00
BIMM Dublin Ltd	Ireland	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

Company	Principal activity	Capital and reserves 2015 £	Profit/(loss) for the year 2015 £
Rock Place Management Limited	Provision of music education	4,563,210	2,496,135
No 7 Limited	Property management and publishing	8,874,325	1,890,528
Kings Square Management Limited	Provision of music education	1,857,778	731,637
South Coast Sounds Limited	Record label	45,353	(680)
Bimm Dublin Ltd	Provision of music education	447,867	416,536

In opinion of the directors, the aggregate value of the company's investments in subsidiary undertakings is not less than the amount included in the balance sheet. Investments in subsidiary undertakings are included at valuation.

On 21 March 2016 100% interest in Tech Music Schools was transferred from another group company, BIMM Holdings Limited, to BIMM Limited for consideration of £20,000,000. Consideration was settled by way of intercompany loans. The ultimate parent company remained the same.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

5 Debtors	2015 £	2014 £
Amounts owed by parent and fellow subsidiary undertakings	1,008	10,551

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

6 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	4,081	5,085
Amounts owed to parent and fellow subsidiary undertakings	1,336,295	1,336,295
Accruals and deferred income	2,500	5,000
	<u>1,342,876</u>	<u>1,346,380</u>

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

At the year end bank loans for a value of £44,000,000 were contracted for by a fellow subsidiary company and secured on a cross guarantee and debenture between all group companies.

7 Share capital	2015 £	2014 £
Allotted, called up and fully paid		
6 Ordinary shares of £1 each	6	6

8 Statement of movements on reserves	Revaluation reserve £	Profit and loss account £
Balance at 1 September 2014	8,799,991	(135,826)
Loss for the year	-	(6,039)
	<u>8,799,991</u>	<u>(141,865)</u>
Balance at 31 August 2015	<u><u>8,799,991</u></u>	<u><u>(141,865)</u></u>

The revaluation reserve represents the difference between cost paid for the investment in the subsidiary companies and the carrying value of the investment in the balance sheet.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

9 Reconciliation of movements in shareholders' funds	2015	2014
	£	£
Loss for the financial year	(6,039)	(7,585)
Opening shareholders' funds	8,664,171	8,671,756
	<hr/>	<hr/>
Closing shareholders' funds	8,658,132	8,664,171
	<hr/> <hr/>	<hr/> <hr/>

10 Employees

Number of employees

There were no employees during the year.

11 Control

BIMM Group Limited, a company incorporated in England and Wales, is the immediate parent company.

BIMM 1 Limited, a company incorporated in England and Wales, is the ultimate parent undertaking of the company, the controlling interest in which is held by Sovereign Capital Limited Partnership II. BIMM 1 Limited prepares consolidated financial statements for the group, which can be obtained from the Company Secretary at 38-42 Brunswick Street West, Hove, BN3 1EL.

12 Related party relationships and transactions

The company has taken advantage of the exemption available in accordance with FRS 8 "Related party disclosures" not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions. There are no other related party transactions.

