

**Company Registration No. 06347465 (England and Wales)**

**BIMM LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

# **BIMM LIMITED**

## **COMPANY INFORMATION**

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### **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

### **Bankers**

National Westminster Bank Plc  
Brighton, Castle Square Branch  
8-11 Pavilion Buildings  
Castle Square  
Brighton  
BN1 1DP

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# BIMM LIMITED

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# **BIMM LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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The directors present their report and financial statements for the year ended 31 August 2016.

#### **Principal activities**

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

#### **Business review**

The results for the period are shown in full in the profit and loss account and related notes. The loss for the year, after taxation, amounted to £NIL (2015: loss of £6,039).

No dividends were proposed or paid during the year.

#### **Directors**

The following directors have held office since 1 September 2015:

A Carswell

V Hamilton

D J Myers – resigned 26 January 2016

D Jones-Owen – appointed 4 November 2015

#### **Directors' responsibilities statement**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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.

#### **Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

# **BIMM LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **Statement of disclosure to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is 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.

### **Post balance sheet events**

On 7 November 2016 100% of the equity of BIMM 1 Limited was purchased by BIMM Topco Limited and thus BIMM Topco Limited became the ultimate parent company of the group. In addition, the trade and assets of Rock Place Management Limited, Kings Square Management and Tech Music Schools Limited were hived up to BIMM Limited.

### **Auditors**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

On behalf of the board



D Jones-Owen  
Director  
19 May 2017

# **BIMM LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF BIMM LIMITED**

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We have audited the financial statements of BIMM Limited for the year ended 31 August 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 1-2, 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](http://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 2016 and of its result 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.

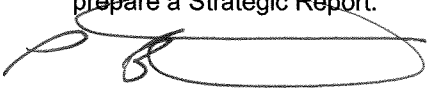
#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the 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:

- 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.
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



**Perry Burton**  
**Senior Statutory Auditor**  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London

Date: 19 May 2017

# BIMM LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2016

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	Notes	2016 £	2015 £
Administrative expenses		-	(6,039)
<b>Loss on ordinary activities before taxation</b>	<b>3</b>	-	(6,039)
Tax on loss on ordinary activities	<b>4</b>	-	-
Loss for the year		-	(6,039)
<b>Total comprehensive income for the year</b>		-	(6,039)

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All amounts relate to continuing operations.

There were no recognised gains and losses for 2016 or 2015 other than those included in the Statement of comprehensive income.

The notes on pages 7 to 12 form part of these financial statements.

# BIMM LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2016

	Notes	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Investments	5		<u>30,000,000</u>		<u>10,000,000</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year	6	1,008		1,008	
Cash at bank and in hand	7	<u>5,754</u>		<u>-</u>	
		6,762		1,008	
<b>Creditors: amounts falling due within one year</b>	8	<u>(21,348,630)</u>		<u>(1,342,876)</u>	
<b>Net current liabilities</b>			<u>(21,341,868)</u>		<u>(1,341,868)</u>
<b>Total assets less current liabilities</b>			<u>8,658,132</u>		<u>8,658,132</u>
<b>Capital and reserves</b>					
Called up share capital	9		6		6
Revaluation reserve			8,799,991		8,799,991
Profit and loss account			<u>(141,865)</u>		<u>(141,865)</u>
<b>Shareholders' funds</b>			<u>8,658,132</u>		<u>8,658,132</u>

The notes on pages 7 to 12 form part of these financial statements.

Approved by the Board and authorised for issue on **19** May 2017.



D Jones-Owen  
Director

Company Registration No. 06347465



# BIMM LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2016

	Share capital	Revaluation Reserve	Retained earnings	Total equity
	£	£	£	£
At 1 <sup>st</sup> September 2015	6	8,799,991	(141,865)	8,658,132
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>6</b>	<b>8,799,991</b>	<b>(141,865)</b>	<b>8,658,132</b>
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	-	-
Total Transactions with owners	-	-	-	-
<b>Balance at 31<sup>st</sup> August 2016</b>	<b>6</b>	<b>8,799,991</b>	<b>(141,865)</b>	<b>8,658,132</b>

	Share capital	Revaluation Reserve	Retained earnings	Total equity
	£	£	£	£
At 1 <sup>st</sup> September 2014	6	8,799,991	(135,826)	8,664,171
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(6,039)	(6,039)
Other comprehensive income for the year				
<b>Total comprehensive loss for the year</b>	<b>6</b>	<b>8,799,991</b>	<b>(141,865)</b>	<b>8,658,132</b>
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	-	-
Total Transactions with owners	-	-	-	-
<b>Balance at 31<sup>st</sup> August 2015</b>	<b>6</b>	<b>8,799,991</b>	<b>(141,865)</b>	<b>8,658,132</b>

The notes on pages 7 to 12 form part of these financial statements.

# **BIMM LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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#### **1 Accounting policies**

##### **1.1 Basis of preparation of financial statements**

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

Information on the impact of first-time adoption of FRS 102 is given in note 12.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The individual accounts of BIMM Limited have also adopted the following disclosure exemptions:

-the requirement to present a statement of cash flows and related notes

-financial instrument disclosures, including:

- categories of financial instruments
- items of income, expenses, gains or losses relating to financial instruments, and
- exposure to and management of financial risk

The following principal accounting policies have been applied:

##### **1.2 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognized in the Income Statement, except that a change attributable to an item of income and expense recognized as other comprehensive income or to an item recognized directly in equity is also recognized in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the counties where the Company operates and generates income.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

# **BIMM LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **1.3 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### **1.4 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### **1.5 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

### **1.6 Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

## **2 Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, management have made a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. However, the nature of estimation means that actual outcomes could differ from those estimates. The key areas of estimation uncertainty in the preparation of these accounts are as follows:

#### *Loans and receivables*

Management assess the recoverability of loans, trade debtors and other receivable balances and record a provision to the extent that the balances are not considered recoverable.

#### *Investments*

Management assess whether there are indicators of impairment on an annual basis. Where there are indicators of impairment, management estimate the recoverable amount of each asset based on expected future cash flows and using an appropriate discount rate to discount these.

## **3 Operating loss**

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

# BIMM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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<b>4</b>	<b>Taxation</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	-	-
	<b>Total current tax</b>	-	-
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	-	-
	Effect of tax rate change on opening balance	-	-
	<b>Total tax (credit)/charge</b>	-	-
	<b>Factors affecting the tax charge for the year</b>		
	Profit/(Loss) on ordinary activities before taxation	-	(6,039)
	Profit on ordinary activities before taxation multiplied by standard UK corporation tax rate of 20% (2015: 20.58%)	-	(1,243)
	<b>Effects of:</b>		
	Tax losses surrendered to group companies	-	1,243
		-	1,243
	<b>Current tax charge for the year</b>	-	-
<b>5</b>	<b>Fixed Asset Investments</b>		<b>Shares in subsidiary undertakings</b>
			<b>£</b>
	Cost at 1 September 2015		10,000,000
	Addition in the year		20,000,000
	At 31 August 2016		30,000,000

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# BIMM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 5 Fixed Assets Investments continued

##### Holdings of more than 20%

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

Company subsidiary undertakings	Country of registration or incorporation	Class	Shares held %
Rock Place Management Limited	UK	Ordinary	100.00
No.7 Limited	UK	Ordinary	100.00
Kings Square Management Limited	UK	Ordinary	100.00
South Coast Sounds Limited	UK	Ordinary	100.00
Tech Music Schools Limited	UK	Ordinary	100.00
BIMM Dublin Limited	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 subsidiary undertakings	Principal activity	Capital and reserves 2016	Profit/(loss) for the year 2016
Rock Place Management Limited	Provision of music education	7,724,831	3,161,621
No.7 Limited	Property management & publishing	11,135,793	2,261,468
Kings Square Management Limited	Provision of music education	2,951,864	1,094,086
South Coast Sounds Limited	Record label	45,258	(95)
Tech Music Schools Limited	Provision of music education	7,068,164	3,997,625
BIMM Dublin Limited	Provision of music education	1,753,144	1,120,743

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

# BIMM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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<b>6 Debtors</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	1,008	1,008
	<u>1,008</u>	<u>1,008</u>

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

<b>7 Cash and cash equivalent</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	5,754	-
	<u>5,754</u>	<u>-</u>

<b>8 Creditors: amounts falling due within one year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	4,080	4,081
Amounts owed to group undertakings	21,342,050	1,336,295
Accruals and deferred income	2,500	2,500
	<u>21,348,630</u>	<u>1,342,876</u>

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

At the year end bank loans for a value of £49,350,000 (2015: £42,000,000) were contracted for by a fellow subsidiary company and secured on a cross guarantee and debenture between all group companies.

<b>9 Share capital</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
6 Ordinary shares of £1 each	6	6
	<u>6</u>	<u>6</u>

### 10 Parent undertaking and ultimate controlling party

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

# **BIMM LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **11 Related party transactions**

The company has taken advantage of the exemption available in FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Directors were remunerated through other group entities in 2016 and 2015. The key management personnel are considered to be the directors of the company.

### **12 First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

### **13 Post balance sheet events**

On 7 November 2016 100% of the equity of BIMM 1 Limited was purchased by BIMM Topco Limited and thus BIMM Topco Limited became the ultimate parent company of the group. The majority shareholder of BIMM Topco Limited became Sovereign Capital Limited Partnership IV. The managing partner, Sovereign Capital Partners LLP, remains the same. As part of the change of control, the existing banking facilities were amended and restated, providing additional capital to continue the investment in the Institution's facilities.