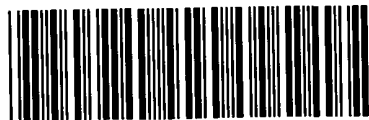


Company Registration No. 06347465 (England and Wales) ✓

BIMM LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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COMPANIES HOUSE

BIMM LIMITED

COMPANY INFORMATION

Directors	A P Carswell V Hamilton D Jones-Owen
Secretary	A P Carswell
Company number	06347465
Registered office	38-42 Brunswick Street West Hove Brighton East Sussex BN3 1EL
Auditors	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
Bankers	National Westminster Bank Plc Brighton, Castle Square Branch 8-11 Pavilion Buildings Castle Square Brighton BN1 1DP

BIMM LIMITED

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BIMM LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The directors present their report and financial statements for the year ended 31 August 2017.

Principal activities

The principal activity of the company during the year was the provision of music education.

Business review

The results for the year are shown in full in the profit and loss account and related notes. The profit for the year, after taxation, amounted to £4,236,838 (2016 result: £NIL).

No dividends were proposed or paid during the year.

On 7 November 2016, trade and assets for Rock Place Management Limited, Kings Square Management Limited and Tech Music Schools Limited were hived up in to BIMM Limited. This has resulted in the creation of a non-distributable reserve of £(44,985,787).

On 23 February 2017 a new subsidiary BRICCT Limited was incorporated for the provision of performing arts education.

Directors

The following directors have held office since 1 September 2016:

A P Carswell
V Hamilton
D Jones-Owen

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 considering its net current liabilities at the year end and based on the expected continued financial support of the ultimate parent company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and to meet its liabilities and obligations for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

BIMM LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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.

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

23 May 2018

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 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 2017 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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's 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.

Who we are reporting to

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.

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.

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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 directors' report.

BIMM LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BIMM LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, 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 for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 1 and 2, 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's 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



Nicholas Page
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date: 23/5/12

BIMM LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	2016 £
Turnover	3	26,537,128	-
Cost of Sales		(9,437,952)	-
Gross Profit		17,099,176	-
Administrative expenses		(12,727,428)	-
Operating profit	4	4,371,748	-
Tax charge on profit on ordinary activities	6	(134,910)	-
Profit for the year		4,236,838	-
Total comprehensive income for the year		4,236,838	-

All amounts relate to continuing operations.

There were no recognised gains and losses for 2017 or 2016 other than those included in the Statement of comprehensive income.

The notes on pages 8 to 16 form part of these financial statements.

BIMM LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2017

	Notes	£	2017 £	£	2016 £
Fixed assets					
Investments	7		16,651,026		30,000,000
Intangible fixed assets	8		12,525,708		-
Tangible fixed assets	9		2,113,467		-
Deferred tax debtor	13		33,477		-
			<u>31,323,678</u>		<u>30,000,000</u>
Current assets					
Debtors: amounts falling due within one year	10	32,181,627		1,008	
Cash at bank and in hand	11	3,383,423		5,754	
		<u>35,565,050</u>		<u>6,762</u>	
Creditors: amounts falling due within one year	12	<u>(98,979,545)</u>		<u>(21,348,630)</u>	
Net current liabilities			<u>(63,414,495)</u>		<u>(21,341,868)</u>
Total assets less current liabilities			<u>(32,090,817)</u>		<u>8,658,132</u>
Capital and reserves					
Called up share capital	14		6		6
Revaluation reserve			8,799,991		8,799,991
Other reserve			(44,985,787)		-
Profit and loss account			<u>4,094,973</u>		<u>(141,865)</u>
Shareholders' funds			<u>(32,090,817)</u>		<u>8,658,132</u>

The notes on pages 8 to 16 form part of these financial statements.

Approved by the Board and authorised for issue on 23 May 2018.



D Jones-Owen
Director

Company Registration No. 06347465

BIMM LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2017

	Share capital	Revaluation Reserve	Other reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 st September 2016	6	8,799,991	-	(141,865)	8,658,132
Comprehensive income for the year					
Profit for the year	-	-	-	4,236,838	4,236,838
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	4,236,838	4,236,838
Contributions by and distributions to owners					
Capital contribution	-	-	(44,985,787)	-	(44,985,787)
Total Transactions with owners	-	-	(44,985,787)	-	(44,985,787)
Balance at 31st August 2017	6	8,799,991	(44,985,787)	4,094,973	(32,090,817)

	Share capital	Revaluation Reserve	Other reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 st September 2015	6	8,799,991	-	(141,865)	8,658,132
Comprehensive loss for the year					
Profit/(loss) for the year	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-
Contributions by and distributions to owners					
Capital contribution	-	-	-	-	-
Total Transactions with owners	-	-	-	-	-
Balance at 31st August 2016	6	8,799,991	-	(141,865)	8,658,132

The notes on pages 8 to 16 form part of these financial statements.

BIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

1.1 Basis of preparation of financial statements

BIMM Limited is a private company incorporated in England and Wales and is limited by shares. 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.

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 Turnover

Turnover represents amounts receivable for course fees and other income in the academic year falling within the period covered by these financial statements. Refunds due to students over three years old not claimed are written back to income three years after the academic year in which they were overpaid.

1.3 Goodwill

Goodwill represents the difference between amounts paid on acquisition of a business and the fair value of the identifiable assets and liabilities. Acquired goodwill is amortised on a straight line basis, over useful life of 10 years. Goodwill is reviewed for indicators of impairment annually.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Straight line over remaining life of lease
Fixtures, fittings & equipment	20% period straight line

1.5 Fixed asset investments

Fixed asset investments are held at cost less provision for permanent impairment.

BIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1.6 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the income statement in the year they are payable.

1.8 Going Concern

After reviewing the company's forecasts and considering its net current liabilities at the year end, and based on the expected continued financial support of the ultimate parent company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and to meet its liabilities and obligations for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

1.9 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 countries 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.

1.10 Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term. The aggregate benefit of lease incentives is recognized as a reduction to the expense recognized over the lease term on a straight line basis.

BIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1.11 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.

1.12 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.

1.13 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.

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 and goodwill

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 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating profit

	2017	2016
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	55,077	-
Amortisation of intangible assets	1,117,163	-
Impairment of fixed asset investments	13,642,871	-

All audit costs and non-audit fees payable to the auditor are borne by BIMM Topco Limited.

BIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

5 Directors and employees

The average monthly number of employees (including directors) during the year was:

	2017 Number	2016 Number
Administration	90	-
Building and facilities	33	-
Teaching	140	-
Management	15	-
	<u>278</u>	<u>-</u>

Employment costs	2017 £	2016 £
Wages and salaries	5,037,720	-
Social security costs	453,225	-
Other pension costs	75,666	-
	<u>5,566,611</u>	<u>-</u>

Pension and other post-retirement benefit commitments Defined contribution:	2017	2016
Contributions payable by the company for the year	<u>75,666</u>	<u>-</u>
	75,666	-

All costs of directors and key staff in the year were borne by another group company in 2017. The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to £NIL (2016 - NIL). Salaries were accrued in the company from 7 November 2016 when the trade and assets of other subsidiary companies were bought by BIMM Limited (see Note 18).

BIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

6 Taxation	2017	2016
	£	£
Domestic current year tax		
U.K. corporation tax	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	134,910	-
Effect of tax rate change on opening balance	-	-
Total tax charge/(credit)	<u>134,910</u>	<u>-</u>
Factors affecting the tax charge for the year		
Profit/(Loss) on ordinary activities before taxation	4,371,748	-
Profit on ordinary activities before taxation multiplied by standard UK corporation tax rate of 19.58% (2016: 20%)	856,024	-
Effects of:		
Non-deductible expenses	220,141	-
Fixed asset differences	(136,900)	-
Group relief (surrendered)/claimed	(840,841)	-
Deferred tax transferred	168,387	-
Other tax adjustments, reliefs and transfers	(136,983)	-
Adjustment of closing deferred tax to average rate	5,082	-
Total adjusting items	<u>(721,114)</u>	<u>-</u>
Total tax charge for the year	<u>134,910</u>	<u>-</u>

7 Fixed Asset Investments	Shares in subsidiary undertakings
	£
Cost at 1 September 2016	30,000,000
Addition in the year	293,897
Impairment	<u>(13,642,871)</u>
At 31 August 2017	<u>16,651,026</u>

During the year Tech Music Schools Limited, a subsidiary of BIMM Limited, sold its trade and assets to BIMM Limited. This led to an impairment of the cost of this investment of £13,642,871 which was recognised as transfer to goodwill (see note 8) to bring the carrying value of the investment to its recoverable amount based on the remaining net assets of the subsidiary.

BIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Fixed Asset Investment Note 7 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
BRICTT Limited	UK	Ordinary	75.00
BIMM Education Limited	UK	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 2017	Profit/(loss) for the year 2017
Rock Place Management Limited	Provision of music education	34,304,069	1,167,213
No.7 Limited	Property management & publishing	14,365,641	3,229,848
Kings Square Management Limited	Provision of music education	7,518,005	276,749
South Coast Sounds Limited	Record label	45,258	-
Tech Music Schools Limited	Provision of music education	21,641,501	(711,035)
BIMM Dublin Limited	Provision of music education	2,992,445	1,239,299
BRICTT Limited	Provision of performing arts education	(449,134)	(449,234)
BIMM Education Limited	Dormant	1	-

BIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 September 2015 & at 31 August 2016	-
Additions	13,642,871
At 31 August 2017	<u>13,642,871</u>
Amortisation	
At 1 September 2016	-
Charge for the year	1,117,163
At 31 August 2017	<u>1,117,163</u>
Net book value	
At 31 August 2017	<u>12,525,708</u>
At 31 August 2016	<u>-</u>

On 7 November 2016 BIMM Limited bought the trade and assets of three subsidiaries. See Note 18 for details.

9 Tangible fixed assets

	Land and Buildings Leasehold £	Plant and Machinery £	Total £
Cost or valuation			
1st September 2016	-	-	-
Additions	2,147,153	21,391	2,168,544
At 31st August 2017	<u>2,147,153</u>	<u>21,391</u>	<u>2,168,544</u>
Depreciation			
1st September 2016	-	-	-
Charge owned for the period	44,852	10,225	55,077
At 31st August 2017	<u>44,852</u>	<u>10,225</u>	<u>55,077</u>
Net book value			
At 31 st August 2017	<u>2,102,301</u>	<u>11,166</u>	<u>2,113,467</u>
At 31 st August 2016	<u>-</u>	<u>-</u>	<u>-</u>

Additions in the year represent tangible assets transferred from other group companies when the trade and assets of those companies were bought by BIMM Limited on 7 November 2016. Assets were recognised on acquisition at net book value which approximates their fair value.

BIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 Debtors	2017	2016
	£	£
Trade Debtors	188,391	-
Amounts owed by group undertakings	31,593,040	1,008
Prepayments and accrued income	309,967	-
Taxation and social security	80,319	-
Other debtors	9,910	-
	<u>32,181,627</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.

11 Cash and cash equivalent	2017	2016
	£	£
Cash at bank and in hand	<u>3,383,423</u>	<u>5,754</u>

12 Creditors: amounts falling due within one year	2017	2016
	£	£
Trade creditors	631,788	4,080
Amounts owed to group undertakings	91,938,349	21,342,050
Taxation and social security	134,397	-
Other creditors	1,176,690	-
Accruals and deferred income	<u>5,098,321</u>	<u>2,500</u>
	<u>98,979,545</u>	<u>21,348,630</u>

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

At 31 August 2017 bank loans of £54,300,000 (2016: £49,350,000) and investment loan notes of £17,132,782 (2016: NIL) held in other group companies were secured on cross guarantee and debenture between all group companies.

13 Deferred tax	2017	2016
	£	£
The deferred tax is made up as follows:		
Balance at 1 September 2016	-	-
Profit and loss account	(134,910)	-
Transferred from group companies	<u>168,387</u>	-
31 st August 2017	<u>33,477</u>	-

14 Share capital	2017	2016
	£	£
Allotted, called up and fully paid	6	6
6 Ordinary shares of £1 each	<u>6</u>	<u>6</u>

BIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15 Commitments under operating leases

At 31 August 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	Land & buildings		Other	
	2017	2016	2017	2016
Within one year	417,000	-	70,733	-
Between 2-5 years	1,668,000	-	155,671	-
More than 5 years	3,910,500	-	-	-
	<u>5,995,500</u>	<u>-</u>	<u>226,404</u>	<u>-</u>

Operating leases in the year represent those transferred from other group companies when the trade and assets of those companies were bought by BIMM Limited on 7 November 2016.

16 Parent undertaking and ultimate controlling party

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. Copies of the Group accounts are prepared by the ultimate parent company and can be obtained from the Company Secretary at 38-42 Brunswick Street West, Hove, BN3 1EL.

17 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.

18 Company Re-organisation

On the 7 November 2016 the company bought the trade and assets of its subsidiaries Rock Place Management Limited, Kings Square Management Limited, and Tech Music Schools Limited for total consideration of £62,124,000 and settled by way of intercompany balances and resulted in a capital contribution being made to the subsidiaries of £44,985,787.

Group reconstruction accounting has been applied, whereby the net assets of each subsidiary were recognised by BIMM Limited on reorganisation date at their book values, with the difference between consideration paid and net assets recognised against reserves.

Subsequently management assessed the carrying value of investments in these three subsidiaries and determined that £13.6 million should be transferred to goodwill reflecting the trade acquired, with the remaining balance of investment supported by net assets of the subsidiary. An impairment of £13.6 million was recognised in respect of the investment in Tech Music School Limited due to the excess of the carrying value of investment over net assets post hive-up (see note 7) with the excess transferred to goodwill.

19 Capital Commitments

The company has no outstanding capital commitments at 31st August 2017.