

Company Registration No. 06347465 (England and Wales)

BIMM LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

BIMM LIMITED

COMPANY INFORMATION

Directors

A P Carswell
A Cox
J J Frampton
M A Hunt
A R Wadsworth
B O Yeboah

Secretary

A P Carswell

Company number

06347465

Registered office

38-42 Brunswick Street West
Hove
Brighton
East Sussex
BN3 1EL

Auditor

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

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Directors present their strategic report and financial statements for the year ended 31 August 2018.

Review of the business

The Directors of the business are satisfied with the results for the year ended 31 August 2018.

PRINCIPAL RISKS AND UNCERTAINTIES

The majority of the company'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 company 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 the delivery of focused student support and engagement plans across the BIMM Colleges.

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 2018 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 company's principal financial instruments comprise bank balances, trade debtors and trade creditors. The purpose of these instruments is to raise funds to finance the company's operations. As a result, the main risks the company is exposed to are credit and liquidity.

In the region of 90% of UK 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.

Approved by the Board



B Yeboah
Director

Date 30/5/2019

BIMM LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The directors present their report and financial statements for the year ended 31 August 2018.

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 Statement of Comprehensive Income and related notes. The turnover for the year amounted to £35,888,112 (2017: 26,537,128) and the profit for the year, after taxation, amounted to £10,511,904 (2017: £4,236,838). Cash held at year end was £7,345,183 (2017: 3,383,423).

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 2017:

A P Carswell
V Hamilton (resigned 28 February 2019)
D Jones-Owen (resigned 28 February 2019)
A Cox (appointed 28 February 2019)
J J Frampton (appointed 28 February 2019)
A R Wadsworth (appointed 28 February 2019)
B O Yeboah (appointed 28 February 2019)

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.

BIMM LIMITED

DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2018**

Going concern

After reviewing the company's forecasts and considering its net current liabilities at the year end and based on the expect 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.

Political donations

There were no political donations in the year.

Employment of disabled people

It is the policy of the Group to employ disabled persons in the job suited to their aptitudes, abilities and qualifications whenever practicable, endeavor to continue the employment of those who become disabled whilst in the Group's employment and to provide disabled employees with the same opportunities for promotion, career development and training as those afforded to other employees.

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 directors have 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



B Yeboah
Director

Date 30.5.2019

BIMM LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BIMM LIMITED

Opinion

We have audited the financial statements of BIMM Limited (the 'company') for the year ended 31st August 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 31st August 2018 and of its profit 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'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.

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.

BIMM LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BIMM LIMITED (CONTINUED)

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 directors' report and strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 directors' report.

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, 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 page 1, 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.

Grant Thornton UK LLP

Anthony Thomas

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London, UK

30 MAY 2019

BIMM LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	2017 £
Turnover	3	35,888,112	26,537,128
Cost of Sales		(10,925,960)	(9,437,952)
Gross Profit		24,962,152	17,099,176
Administrative expenses		(14,858,253)	(12,708,490)
Operating profit	4	10,103,899	4,360,686
Interest receivable		98,936	1,034
Bank interest payable and similar charges		(56,031)	(19,972)
Profit on ordinary activities before taxation		10,146,804	4,371,748
Tax charge on profit on ordinary activities	6	365,100	(134,910)
Profit for the year		10,511,904	4,236,838
Total comprehensive income for the year		10,511,904	4,236,838

All amounts relate to continuing operations.

There were no recognised gains and losses for 2018 or 2017 other than those included in the Statement of Comprehensive Income.

The notes on pages 9 to 18 form part of these financial statements.

BIMM LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2018

	Notes	2018 £	2017 £
Fixed assets			
Investments	7	16,751,101	16,651,026
Intangible fixed assets	8	11,164,724	12,525,708
Tangible fixed assets	9	2,040,689	2,113,467
Deferred tax debtor	13	398,577	33,477
		<u>30,355,091</u>	<u>31,323,678</u>
Current assets			
Debtors: amounts falling due within one year	10	41,415,876	32,181,627
Cash at bank and in hand	11	7,345,183	3,383,423
		<u>48,761,059</u>	<u>35,565,050</u>
Creditors: amounts falling due within one year	12	<u>(100,695,063)</u>	<u>(98,979,545)</u>
Net current liabilities		<u>(51,934,004)</u>	<u>(63,414,495)</u>
Total assets less current liabilities being net liabilities		<u>(21,578,913)</u>	<u>(32,090,817)</u>
Capital and reserves			
Called up share capital	14	6	6
Revaluation reserve		8,799,991	8,799,991
Other reserve		(44,985,787)	(44,985,787)
Profit and loss account		14,606,877	4,094,973
Shareholders' funds		<u>(21,578,913)</u>	<u>(32,090,817)</u>

The notes on pages 9 to 18 form part of these financial statements.

Approved by the Board and authorised for issue on 30.5.2019.



B Yeboah
Director

Company Registration No. 06347465

BIMM LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2018

	Share capital	Revaluation Reserve	Other reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 st September 2017	6	8,799,991	(44,985,787)	4,094,973	(32,090,817)
Comprehensive income for the year					
Profit for the year	-	-	-	10,511,904	10,511,904
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	10,511,904	10,511,904
Contributions by and distributions to owners					
Total Transactions with owners	-	-	-	-	-
Balance at 31st August 2018	6	8,799,991	(44,985,787)	14,606,877	(21,578,913)

	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 loss 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)

The notes on pages 9 to 18 form part of these financial statements.

BIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 and the address of its registered office is 38-42 Brunswick Street West, Hove, BN3 1EL.

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 financial statements are presented in sterling (£).

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. Turnover is recognised over the period that the course is provided.

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
Fixtures, fittings & equipment

Straight line over remaining life of lease
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 2018

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 the 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.

The ultimate parent of the group, BIMM Topco Limited, continues to support the group and considers the group's financial resources to be sufficient to provide the required support and that the company is well placed to manage its business and competitive risks.

1.9 Current and deferred taxation

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

The current income tax payable in respect of taxable profit for the current or past reporting periods 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.

BIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 recognised as a reduction to the expense recognised over the lease term on a straight line basis.

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 receivables balances and record a provision to the extent that they are not considered recoverable. Management assess the credit risk, of each customer in a period, and reviewed in conjunction with debt ageing and collection history, and a provision recorded against those that are not deemed recoverable.

Management assess the recoverability of intercompany debtors and record a provision to the extent that they are not considered recoverable. To assess impairment, the recoverable amount is assessed by reviewing the net asset position, operating results and future plans. Judgement is used in the assessment of the future prospects. Management did not identify any impairments during their review and continue to monitor progress.

Investments

Management assess the recoverability of investments and record a provision to the extent that they are not considered recoverable.

To assess impairment, the recoverable amount is assessed by reviewing the net asset position, operating results and future plans. Judgement is used in the assessment of the future prospects. Management did not identify any impairments during their review and continue to monitor progress.

3 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom in respect of the provision of education recognised over the period that the course is provided.

BIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Operating profit	2018	2017
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	143,186	55,077
Amortisation of intangible assets	1,360,984	1,117,163
Impairment of fixed asset investments	-	13,642,871
Operating lease rentals	580,894	395,571

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

5 Directors and employees

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

	2018	2017
	Number	Number
Administration	108	90
Building and facilities	45	33
Teaching	188	140
Management	18	15
	<u>359</u>	<u>278</u>

Employment costs	2018	2017
	£	£
Wages and salaries	6,231,590	5,037,720
Social security costs	575,272	453,225
Other pension costs	104,170	75,666
	<u>6,911,032</u>	<u>5,566,611</u>

Pension and other post-retirement benefit commitments Defined contribution:	2018	2017
Contributions payable by the company for the year	<u>104,170</u>	<u>75,666</u>
	104,170	75,666

All costs of directors and key staff in the year were borne by BIMM Topco Limited, the ultimate parent company, in 2018. The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to £NIL (2017 - 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 2018

6 Taxation	2018 £	2017 £
Domestic current year tax		
U.K. corporation tax	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(207,062)	134,910
Adjustments in respect of prior periods	(158,038)	-
Total tax (credit)/charge	(365,100)	134,910
Factors affecting the tax charge for the year		
Profit/(Loss) on ordinary activities before taxation	10,146,804	4,371,748
Profit on ordinary activities before taxation multiplied by standard UK corporation tax rate of 19% (2017: 19.58%)	1,927,893	856,024
Effects of:		
Non-deductible expenses	-	220,141
Fixed asset differences	-	(136,900)
Group relief (surrendered)/claimed	(2,159,315)	(840,841)
Adjustments in respect of prior periods	(158,038)	-
Deferred tax transferred	-	168,387
Other tax adjustments, reliefs and transfers	-	(136,983)
Adjustment of closing deferred tax to average rate	24,360	5,082
Total adjusting items	(2,292,993)	(721,114)
Total tax (credit)/charge for the year	(365,100)	134,910
7 Fixed Asset Investments		Shares in subsidiary undertakings £
Cost at 1 September 2016		30,000,000
Additions		293,897
Impairment		(13,642,871)
At 31 August 2017		16,651,026
Additions		100,075
At 31 August 2018		16,751,101

During the prior 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. There are no further indications of impairment.

BIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Fixed Asset 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
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 2018	Profit/(loss) for the year 2018
Rock Place Management Limited	Provision of music education	34,304,069	-
No.7 Limited	Property management & publishing	14,960,897	595,256
Kings Square Management Limited	Provision of music education	7,518,005	-
South Coast Sounds Limited	Record label	45,258	-
Tech Music Schools Limited	Provision of music education	21,641,501	-
BIMM Dublin Limited	Provision of music education	3,766,906	774,461
BRICTT Limited	Provision of performing arts education	(866,438)	(417,304)
BIMM Education Limited	Dormant	1	-

BIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 September 2017 & at 31 August 2018	13,642,871
Amortisation	
At 1 September 2017	1,117,163
Charge for the year	1,360,984
At 31 August 2018	<u>2,478,147</u>
Net book value	
At 31 st August 2018	<u>11,164,724</u>
At 31 st August 2017	<u>12,525,708</u>

9 Tangible fixed assets

	Land and Buildings Leasehold	Plant and Machinery	Total
	£	£	£
Cost or valuation			
1st September 2017	2,147,153	21,391	2,168,544
Additions	70,408	-	70,408
At 31st August 2018	<u>2,217,561</u>	<u>21,391</u>	<u>2,238,952</u>
Depreciation			
1st September 2017	44,852	10,225	55,077
Charge owned for the period	133,610	9,576	143,186
At 31st August 2018	<u>178,462</u>	<u>19,801</u>	<u>198,263</u>
Net book value			
At 31 st August 2018	<u>2,039,099</u>	<u>1,590</u>	<u>2,040,689</u>
At 31 st August 2017	<u>2,102,301</u>	<u>11,166</u>	<u>2,113,467</u>

The Royal Bank of Scotland Plc holds a registered charge over the assets of the company in relation to banking facilities advanced to fellow group companies.

BIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Debtors	2018	2017
	£	£
Trade Debtors	-	188,391
Amounts owed by group undertakings	41,123,254	31,593,040
Prepayments and accrued income	288,799	309,967
Taxation and social security	-	80,319
Other debtors	3,823	9,910
	<u>41,415,876</u>	<u>32,181,627</u>

Amounts owed from BRICTT Limited are charged at a fixed rate of interest of 14% per annum and are repayable on demand and no later than 31 March 2025 (see note 17). All other amounts owed from group undertakings are unsecured, non-interest bearing, have no fixed date of repayment and are repayable on demand.

11 Cash and cash equivalent	2018	2017
	£	£
Cash at bank and in hand	<u>7,345,183</u>	<u>3,383,423</u>

12 Creditors: amounts falling due within one year	2018	2017
	£	£
Trade creditors	381,616	631,788
Amounts owed to group undertakings	92,243,680	91,938,349
Taxation and social security	141,263	134,397
Other creditors	1,364,584	1,176,690
Accruals and deferred income	6,563,920	5,098,321
	<u>100,695,063</u>	<u>98,979,545</u>

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

At year end bank loans for a value of £58,150,000 (2017: £54,300,000) and investment loan notes of £17,196,693 (2017: £17,132,782) held in other group companies were secured on a cross guarantee and debenture between all group companies.

13 Deferred tax	2018	2017
	£	£
The deferred tax is made up as follows:		
Balance at 1 September	33,477	-
Profit and loss account	365,100	(134,910)
Transferred from group companies	-	168,387
Balance at 31 August	<u>398,577</u>	<u>33,477</u>

BIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

14 Share capital	2018	2017
	£	£
Allotted, called up and fully paid		
6 Ordinary shares of £1 each	6	6

15 Commitments under operating leases

At 31 August 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	Land & buildings		Other	
	2018	2017	2018	2017
Within one year	727,000	417,000	73,017	70,733
Between 2-5 years	2,908,000	1,668,000	143,352	155,671
More than 5 years	6,203,750	3,910,500	-	-
	<u>9,838,750</u>	<u>5,995,500</u>	<u>216,369</u>	<u>226,404</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 at 25 Victoria Street, London, SW1H 0EX. 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.

	2018	2017
	£	£
Loans to fellow group undertakings:		
BRICTT Limited	865,561	193,792
Interest charge accrued in the period on loans from fellow group undertakings:		
BRICTT Limited	98,936	1,034

Intercompany amounts owed from BRICTT Limited are unsecured and charged at a fixed annual interest rate of 14%.

BIMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 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 2018.

20 Post balance sheet events

There are no material post balance sheet events.

