

Company Registration No. 06347465 (England and Wales)

**BIMM LIMITED ANNUAL REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

# **BIMM LIMITED**

## **COMPANY INFORMATION**

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**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  
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

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# BIMM LIMITED

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# BIMM LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

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The directors present their strategic report and financial statements for the year ended 31 August 2019.

#### Review of the business

The directors of the business are satisfied with the results for the year ended 31 August 2019. The activity of the group as a whole in the year was higher and further education in contemporary music and creative arts.

The results for the year are shown in full in the Statement of Comprehensive Income and related notes.

#### Trading Performance – Key Indicators

	Year ended 31 August 2019	Year ended 31 August 2018 (unaudited)
	£m	£m
Turnover	43.3	41.6
EBITDA	16.9	15.6
Profit before tax	12.4	10.4

Turnover and EBITDA growth have been driven by growth in new colleges (BIMM Birmingham and BRICTT) as well changes in student population mix within the more established colleges. The trend of growth in new students is expected to continue in line with the group's recruitment strategy as well as UK demographic changes.

EBITDA (Earnings before interest, tax, depreciation and amortisation) is the key KPI monitored throughout the year. The business delivered EBITDA of £16,812,076 for the period which was in line with budgeted expectations. The year on year increase is fundamentally driven by increase in turnover whilst operating costs have remained broadly consistent. Debt servicing and central overheads are managed within fellow subsidiary undertakings in the wider BIMM Topco group and EBITDA is a key measurement for covenant reporting.

On 1 August 2019, BIMM Limited became registered with the Office for Students (OfS) as an Approved Fee Cap Provider. BIMM Limited has opted out of early adoption for the 2019 OfS Accounts Direction and must therefore provide full FRS 102 consolidated accounts without any statutory exemptions for the first time. Prior year comparatives have been restated to include consolidated results on the same basis and were audited in the previous financial year.

As a result of OfS registration, BIMM Limited is eligible for recurrent grant and capital grant income. In the year ended 31 August 2019 £201,000 has been recognised within turnover.

Net cash used in the period was £362,450 (2018 (unaudited): £3,751,454 generated), the decrease being driven by a temporary change in working capital cycle as result of achieving OfS Approved Fee Cap Status. The change in status provided a benefit to students whereby the full amount of their tuition fees became eligible for student loan funding and therefore paid on a termly basis by SLC (Student Loans Company). Previously, students had to pay a proportion of their tuition fee privately in advance of the start of the academic year.

Cash held at year end was £9,472,635 (2018 (unaudited): £9,835,085). The business continues to deliver a strong level of operational cashflow.

No dividends were proposed or paid during the year.

# **BIMM LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Future Prospects**

In March 2019, BIMM Limited was granted TDAP (Taught Degree Awarding Powers), the business is now focusing on the development of new BIMM validated courses for both music and performing arts ahead of October 2020 enrolments.

Management expect the future growth of the business to be driven by demand for these new courses as well as the UK demographic changes (number of 18 year olds increases in the UK from 2020 onwards). The impact of BREXIT on the business is not expected to be significant as EU nationals represent an immaterial proportion of the student population.

On 8 November 2019, BIMM Limited acquired 100% of the shares in Performers College Limited. As this transaction occurred after the balance sheet date, the results of the Performers College Limited have not been included in these consolidated financial statements.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks in the business are student achievement, retention rates and regulatory compliance (OfS). Inappropriate management of these risks could result in a decline in student numbers and the potential loss of funding contracts with university and college partners as well as the OfS. These risks are managed by the BIMM Limited Board, Audit Committee, Executive Management Group and Academic Board. Further detail can be found on the BIMM website - <https://www.bimm.ac.uk/wp-content/uploads/2018/10/1714EW-05-bimm-governance--infrastructure-original.pdf>

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.

Additionally, the group has made significant investments in governance structures and processes throughout 2019 to adhere to regulatory requirements including APP (Access and Participation Plan). BIMM Limited's published APP is focused on four key areas:

- Increase the number of female students enrolling on our courses.
- Increase the number of BME students enrolling on our courses.
- Enhance the levels of support, both financial and advisory, available to students who declare a disability and students from lower socio-economic backgrounds.
- Enhance the levels of academic support provided to students from nontraditional educational backgrounds and/or with lower entry qualifications as par.

The group continues to invest in its Academic Development and Quality Assurance team ensuring that this is the key focus of the group's activities.

### **FINANCIAL RISK**

The majority of the group's revenue is secured at the start of the year by virtue of an annual recruitment process which ensures the vast majority of students have contracts in place by 1 September.

In addition, the group has a number of contracts in place with university and college funding partners with these contracts generally being for a 3 to 5 year period.

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

**BIMM LIMITED**  
**STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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**FINANCIAL RISK (CONTINUED)**

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. Students who pay privately are required to do so in advance of the start 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. BIMM Limited is part of a wider group which has access to borrowing facilities that can be used to manage working capital if required.

**Corporate Social Responsibility**

The group recognises the increasing importance of corporate social responsibilities and environmental issues to a significant number of external and internal stakeholders. The key areas of focus are as follows:

Employee Involvement and Motivation

The group has a policy to develop and encourage employee involvement. This is delivered by regular communication from both the Chief Executive Officer and Executive Management Group. In addition to this, regular visits to individual college locations are conducted throughout the year.

Employees can make comments or recommendations via direct email contact with the Executive Management Group.

Environmental Issues

The group seeks to meet all of its statutory requirements and apply best practice by encouraging recycling and use of electronic of communication to reduce the use of paper. The business has also invested in technology to facilitate a reduction in the requirement for road, train and air travel.

Approved by the Board and signed on behalf of the Board by



B Yeboah  
Director

Date 31 January 2020

# **BIMM LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2019**

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The directors present their report and financial statements for the year ended 31 August 2019.

#### **Principal activities**

The principal activity of the group during the year was the provision of higher and further education in contemporary music and creative arts..

#### **Business review**

The results for the year are shown in full in the Statement of Comprehensive Income and related notes. The group turnover for the year amounted to £43,329,934 (2018 (unaudited): £41,571,298) and the profit for the year, after taxation, amounted to £11,744,959 (2018 (unaudited): £10,441,445). Group cash held at year end was £9,472,635 (2018 (unaudited): £9,835,085).

No dividends were proposed or paid during the year.

#### **Directors**

The following directors have held office since 1 September 2018:

A P Carswell  
V Hamilton (resigned 28 February 2019)  
D Jones-Owen (resigned 28 February 2019)  
M A Hunt (appointed 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 2019**

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**Going concern**

After reviewing the group's forecasts the directors have a reasonable expectation that the group has access to adequate resources to continue in operational existence and to meet its liabilities and obligations in the foreseeable future. It is the group's expectation that it will continue to receive financial support from the ultimate parent company, BIMM Topco Limited.

The group's business results, together with factors that will likely affect future performance are set out in the strategic report on pages 4-6. The group's forecasts and projections show that the group should be able to operate within the level of current resources and borrowing facilities as they fall due. Therefore the directors continue to adopt the going concern basis in preparing its financial statements.

After reviewing the company's forecasts and net liabilities position 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 for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

**Political donations**

There were no political donations in the year.

**Charitable donations**

There were no charitable 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.

**Auditor**

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

Approved by the Board and signed on behalf of the Board by



B Yeboah  
Director

Date 31 January 2020



# **BIMM LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

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

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#### **Opinion**

We have audited the financial statements of BIMM Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31<sup>st</sup> August 2019 which comprise the Consolidated and Parent Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Statement of Cash Flows, the Consolidated and Parent Statement of Change 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:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31<sup>st</sup> August 2019 and of the group's profit and the parent company's profit for the year then ended;
- 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 group and parent 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.

#### **Other matter – prior year consolidated financial statements unaudited**

The company was not required to prepare consolidated financial statements for the year ended 31 August 2018 as it is a subsidiary company and is therefore exempt from the requirement to prepare consolidated financial statements by virtue of section 400 of the Companies Act 2006. During the year ended 31 August 2019, the company registered with the Office for Students and as such is required to prepare consolidated financial statements for the year ended 31 August 2019. Accordingly, the corresponding consolidated figures for the year ended 31<sup>st</sup> August 2018 are unaudited.

#### **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 group's or the parent 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.

# **BIMM LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF BIMM LIMITED (CONTINUED)**

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#### **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.

#### **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 year 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 group and parent 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.

#### **Opinion on other matters prescribed by the Office for Student's ('OfS') Regulatory Framework for Higher Education in England (OfS 2018.01)**

In our opinion, in all material respects:

- funds from whatever source administered by the parent company for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation
- funds provided by the OfS have been applied in accordance with the relevant terms and conditions, and any other terms and conditions attached to them

#### **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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 7, 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 group and parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

# **BIMM LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF BIMM LIMITED (CONTINUED)**

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#### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

**Date:** 31 JANUARY 2020.

**BIMM LIMITED**  
**CONSOLIDATED AND PARENT STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	Group 2019 £	Group 2018 Unaudited £	Company 2019 £	Company 2018 £
Turnover	3	43,329,934	41,571,298	37,382,914	35,888,112
Cost of sales		(8,710,783)	(8,736,565)	(7,526,282)	(10,925,960)
<b>Gross profit</b>		<b>34,619,151</b>	<b>32,834,733</b>	<b>29,856,632</b>	<b>24,962,152</b>
Administrative expenses		(22,124,104)	(22,371,391)	(15,158,995)	(14,858,253)
<b>Operating Profit</b>	5	<b>12,495,047</b>	<b>10,463,342</b>	<b>14,697,637</b>	<b>10,103,899</b>
Interest receivable		-	-	149,413	98,936
Financial expense		(92,402)	(73,050)	(63,594)	(56,031)
<b>Profit before taxation</b>		<b>12,402,645</b>	<b>10,390,292</b>	<b>14,783,456</b>	<b>10,146,804</b>
Taxation	8	(657,686)	51,153	(539,748)	365,100
<b>Profit for the year</b>		<b>11,744,959</b>	<b>10,441,445</b>	<b>14,243,708</b>	<b>10,511,904</b>
<b>Other comprehensive income for the year:</b>					
Translation of foreign operations		3,734	50,793	-	-
<b>Total comprehensive income for the year</b>		<b>11,748,693</b>	<b>10,492,238</b>	<b>14,243,708</b>	<b>10,511,904</b>
<b>Total comprehensive income for the year attributable to:</b>					
Owners of BIMM Limited		11,834,775	10,596,564	14,243,708	10,511,904
Non-controlling interests		(86,082)	(104,326)	-	-
<b>Total comprehensive income for the year</b>		<b>11,748,693</b>	<b>10,492,238</b>	<b>14,243,708</b>	<b>10,511,904</b>

All amounts relate to continuing operations.

The notes on pages 17 to 34 form part of these financial statements.

**BIMM LIMITED**  
**CONSOLIDATED AND PARENT STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2019**

	Notes	Group 2019	Group 2018	Company 2019	Company 2018
		£	Unaudited £	£	£
<b>Fixed assets</b>					
Intangible assets	9	10,352,690	12,263,776	9,800,437	11,164,724
Investments	10	-	-	16,751,101	16,751,101
Tangible assets	11	21,521,630	22,327,569	1,845,002	2,040,689
Deferred tax debtor	16	-	398,577	-	398,577
		31,874,320	34,989,922	28,396,540	30,355,091
<b>Current assets</b>					
Debtors: amounts falling due within one year	12	38,755,549	28,284,531	55,463,537	41,415,876
Current tax debtor		10,548	57,352	-	-
Cash at bank and in hand	13	9,472,635	9,835,085	6,696,120	7,345,183
		48,238,732	38,176,968	62,159,657	48,761,059
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(24,052,805)	(28,966,698)	(97,750,231)	(100,695,063)
Tax Payable		(104,152)	(522)	(103,429)	-
		(24,156,957)	(28,967,220)	(97,853,660)	(100,695,063)
		24,081,775	9,209,748	(35,694,003)	(51,934,004)
<b>Net current assets /(liabilities)</b>					
Total assets less current liabilities		55,956,095	44,199,670	(7,297,463)	(21,578,913)
Creditors: amounts falling due after more than one year					
Provision for liabilities	17	(45,609)	(37,877)	(37,742)	-
<b>Total assets less total liabilities being net assets/(liabilities)</b>		<b>55,910,486</b>	<b>44,161,793</b>	<b>(7,335,205)</b>	<b>(21,578,913)</b>
<b>Called up share capital</b>					
Called up share capital	18	6	6	6	6
Revaluation reserve		8,799,991	8,799,991	8,799,991	8,799,991
Other reserve		-	-	(44,985,787)	(44,985,787)
Translation reserve		54,527	50,793	-	-
Profit and loss account		47,295,770	35,464,729	28,850,585	14,606,877
<b>Capital and reserves attributable to owners</b>		<b>56,150,294</b>	<b>44,315,519</b>	<b>(7,335,205)</b>	<b>(21,578,913)</b>
Non-controlling interests		(239,808)	(153,726)	-	-
<b>Total equity</b>		<b>55,910,486</b>	<b>44,161,793</b>	<b>(7,335,205)</b>	<b>(21,578,913)</b>

The notes on pages 17 to 34 form part of these financial statements.

Approved by the Board and authorised for issue on 31 January 2020.



B Yeboah  
**Director**  
**Company Registration No. 06347465**

**BIMM LIMITED**  
**CONSOLIDATED AND PARENT STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Group 2019 £	Group 2018 Unaudited £	Company 2019 £	Company 2018 £
<b>Operating activities</b>				
Total comprehensive income for the year	11,748,693	10,492,238	14,243,708	10,511,904
Non cash adjustments:				
Depreciation	2,498,345	2,443,699	134,258	143,188
Amortisation	1,911,086	2,355,620	1,364,287	1,360,984
Loss on disposal of property, plant, and equipment	-	304,084	70,802	-
Interest receivable	-	-	(149,413)	(98,936)
Financial expense	92,402	73,050	63,594	56,031
Taxation expense	657,686	(51,153)	539,748	(365,100)
(Increase)/decrease in other trade receivables	(10,471,019)	(6,043,821)	(13,898,248)	(9,246,234)
Increase/(decrease) in other trade payables	(4,913,892)	(1,670,713)	(2,944,832)	1,746,118
Net foreign exchange differences	(8,443)	64,690	-	-
Taxation (paid)/received	(100,943)	(328,699)	-	80,319
<b>Net cash outflow from operating activities</b>	<b>1,413,915</b>	<b>7,638,995</b>	<b>(576,096)</b>	<b>4,188,274</b>
<b>Investing activities</b>				
Purchase of intangibles	-	(100,075)	-	-
Purchase of investments	-	-	-	(100,075)
Purchase of property, plant, and equipment	(1,683,963)	(3,714,416)	(9,373)	(70,408)
<b>Net cash outflow from investing activities</b>	<b>(1,683,963)</b>	<b>(3,814,491)</b>	<b>(9,373)</b>	<b>(170,483)</b>
<b>Financing activities</b>				
Interest paid	(92,402)	(73,050)	(63,594)	(56,031)
<b>Net cash inflow from financing activities</b>	<b>(92,402)</b>	<b>(73,050)</b>	<b>(63,594)</b>	<b>(56,031)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(362,450)</b>	<b>3,751,454</b>	<b>(649,063)</b>	<b>3,961,760</b>
Cash and cash equivalents at 1 September	9,835,085	6,083,631	7,345,183	3,383,423
<b>Cash and cash equivalents at 31 August</b>	<b>9,472,635</b>	<b>9,835,085</b>	<b>6,696,120</b>	<b>7,345,183</b>

The notes on pages 17 to 34 form part of these financial statements.

**BIMM LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Group	-----Attributable to the owners of BIMM Limited-----						Non-controlling interests	Total equity
	Share capital	Revaluation reserve	Translation reserve	Retained earnings	Total			
	£	£	£	£	£	£		
<b>At 1 September 2018 (unaudited)</b>	<b>6</b>	<b>8,799,991</b>	<b>50,793</b>	<b>35,464,729</b>	<b>44,315,519</b>	<b>(153,726)</b>	<b>44,161,793</b>	
<b><i>Comprehensive income for the period</i></b>								
Profit for the period	-	-	-	11,831,041	11,831,041	(86,082)	11,744,959	
Other comprehensive income for the period	-	-	3,734	-	3,734	-	3,734	
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>3,734</b>	<b>11,831,041</b>	<b>11,834,775</b>	<b>(86,082)</b>	<b>11,748,693</b>	
<b>Balance at 31<sup>st</sup> August 2019</b>	<b>6</b>	<b>8,799,991</b>	<b>54,527</b>	<b>47,295,770</b>	<b>56,150,294</b>	<b>(239,808)</b>	<b>55,910,486</b>	

Group	-----Attributable to the owners of BIMM Limited-----						Non-controlling interests	Total equity
	Share capital	Revaluation reserve	Translation reserve	Retained earnings	Total			
	£	£	£	£	£	£		
<b>At 1 September 2017 (unaudited)</b>	<b>6</b>	<b>8,799,991</b>	<b>-</b>	<b>24,918,958</b>	<b>33,718,955</b>	<b>(49,400)</b>	<b>33,669,555</b>	
<b><i>Comprehensive income for the period</i></b>								
Profit for the period	-	-	-	10,545,771	10,545,771	(104,326)	10,441,445	
Other comprehensive income for the period	-	-	50,793	-	50,793	-	50,793	
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>50,793</b>	<b>10,545,771</b>	<b>10,596,564</b>	<b>(104,326)</b>	<b>10,492,238</b>	
<b>Balance at 31<sup>st</sup> August 2018 (unaudited)</b>	<b>6</b>	<b>8,799,991</b>	<b>50,793</b>	<b>35,464,729</b>	<b>44,315,519</b>	<b>(153,726)</b>	<b>44,161,793</b>	

**BIMM LIMITED**  
**PARENT STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Company	Share capital	Revaluation reserve	Other reserve	Retained earnings	Total equity
	£	£	£	£	£
<b>At 1 September 2018</b>	<b>6</b>	<b>8,799,991</b>	<b>(44,985,787)</b>	<b>14,606,877</b>	<b>(21,578,913)</b>
<b><i>Comprehensive income for the year</i></b>					
Profit for the year	-	-	-	14,243,708	14,243,708
Other comprehensive income for the year	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,243,708</b>	<b>14,243,708</b>
<b>Balance at 31 August 2019</b>	<b>6</b>	<b>8,799,991</b>	<b>(44,985,787)</b>	<b>28,850,585</b>	<b>(7,335,205)</b>

Company	Share capital	Revaluation reserve	Other reserve	Retained earnings	Total equity
	£	£	£	£	£
<b>At 1 September 2017</b>	<b>6</b>	<b>8,799,991</b>	<b>(44,985,787)</b>	<b>4,094,973</b>	<b>(32,090,817)</b>
<b><i>Comprehensive income for the year</i></b>					
Profit for the year	-	-	-	10,511,904	10,511,904
Other comprehensive income for the year	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,511,904</b>	<b>10,511,904</b>
<b>Balance at 31 August 2018</b>	<b>6</b>	<b>8,799,991</b>	<b>(44,985,787)</b>	<b>14,606,877</b>	<b>(21,578,913)</b>

The notes on pages 17 to 34 form part of these financial statements.



# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

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

BIMM Limited is a private company incorporated in England and Wales limited by shares and the address of its registered office is 38-42 Brunswick Street West, Hove, BN3 1EL.

The company's principal activity is the provision of music education.

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 financial statements are presented in sterling (£). 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 consolidated accounts of BIMM Limited group have voluntarily not adopted the following disclosure exemptions:

- 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
- Statement of cashflows

The following principal accounting policies have been applied:

##### 1.2 Basis of consolidation

The financial statements of the group for the year ended 31 August 2019 comprise BIMM Limited ('company') and its subsidiaries (together referred to as the 'group').

##### *Subsidiaries*

The group financial statements consolidate those of the parent company and all its subsidiaries as at 31 August 2019.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. The group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1.2 Basis of consolidation (continued)

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present:

- power over the investee
- exposure or rights to variable returns from the investee
- the ability of the company to use its power to affect those variable returns.

Control is re-assessed whenever facts and circumstances indicate that there may be a change in any of the above elements of control.

#### *Transactions eliminated on consolidation*

All transactions and balances between group companies are eliminated on consolidation, including unrealised gains and losses on transactions between group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. The group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

#### *Business combinations*

The group applies the acquisition method in accounting for business combinations. The consideration transferred by the group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are capitalised.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

#### 1.3 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. Where the amount of the tuition fee is reduced by a discount income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

#### 1.4 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.

#### 1.5 Investments

Investments in subsidiaries are accounted for at cost less impairment in the financial statements.

#### 1.6 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 the remaining life of the lease
Plant and machinery	20% Straight line
Computer equipment	20% straight line
Fixtures, fittings & equipment	20% straight line

# **BIMM LIMITED**

## **NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1.7 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.

#### **1.8 Pensions**

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

#### **1.9 Going Concern**

After reviewing the group's forecasts the directors have a reasonable expectation that the group has access to adequate resources to continue in operational existence and to meet its liabilities and obligations in the foreseeable future. It is the group's expectation that it will continue to receive financial support from the ultimate parent company, BIMM Topco Limited

The group's business results, together with factors that will likely affect future performance are set out in the strategic report on pages 4-6. The group's forecasts and projections show that the group should be able to operate within the level of current resources and borrowing facilities as they fall due. Therefore the directors continue to adopt the going concern basis in preparing its financial statements.

After reviewing the company's forecasts and net liabilities position 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 for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

#### **1.10 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of comprehensive income, except that a change attributable to an item of income and expense recognised 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 CONSOLIDATED AND PARENT FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1.11 Operating leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership. All other leases are classified as 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.

#### **1.12 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

#### **1.13 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

#### **1.14 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

#### **1.15 Provisions for Liabilities**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

#### **1.16 Investments in subsidiaries**

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies at an entity level so as to obtain benefit from its activities. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

#### **1.17 Grant income**

Revenue grants from government sources are recognised within the Statement of Comprehensive Income when the Institute is entitled to the income on a systematic basis over the periods in which the Institute recognises the related costs for which the grant is intended to compensate. Capital grants from government sources are initially recognised within the Balance Sheet as a liability and subsequently in the Statement of Comprehensive Income as income on a systematic basis over the expected useful life of the associated asset.

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 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:

##### *Goodwill and intangible assets*

Management establish a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Management review the estimate of the useful lives of goodwill and other intangible assets at each reporting date, based on the expected utility of the assets. The directors have also considered and concluded that there are no intangible items which could be individually identifiable and separately recognised within this goodwill.

##### *Useful lives of depreciable assets*

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility and expected life of certain tuition and recording equipment.

##### *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.

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 3 Turnover

The total turnover of the company and the group for the period has been derived from the following activities:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		<b>Unaudited</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Provision of education	43,128,934	41,571,298	37,181,914	35,888,112
Grant income	201,000	-	201,000	-
	<u>43,329,934</u>	<u>41,571,298</u>	<u>37,382,914</u>	<u>35,888,112</u>

Revenue is analysed by geographical area in respect of where it arises as follows:

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		<b>Unaudited</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
United Kingdom	38,529,982	36,341,260	37,382,914	35,888,112
Rest of Europe	4,799,952	5,230,038	-	-
	<u>43,329,934</u>	<u>41,571,298</u>	<u>37,382,914</u>	<u>35,888,112</u>

#### 4 Dividends

The directors of the company do not recommend a dividend in respect of the current period (2018: £nil).

#### 5 Group operating profit

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		<b>Unaudited</b>		
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating profit is stated after charging:				
Amortisation of intangible assets	1,911,086	2,355,620	1,364,287	1,360,984
Depreciation of tangible assets	2,498,345	2,443,699	134,258	143,188
Loss on disposal of tangible assets	-	304,084	70,802	-
Audit fees	-	-	-	-
Rent paid under operating leases	1,720,258	1,364,160	948,017	575,384

Audit fees are borne by another group company.

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 6 Directors and employees

The average number of employees (including directors) employed by the group during the period was:

	Group 2019	Group 2018	Company 2019	Company 2018
	Unaudited			
	Number	Number	Number	Number
Administration	138	133	112	108
Building and facilities	56	48	53	45
Teaching	272	240	218	188
Management	20	19	18	18
Directors	1	1	-	-
	487	441	401	359

	Group 2019	Group 2018	Company 2019	Company 2018
	Unaudited			
	£	£	£	£
Employment costs				
Wages and salaries	8,802,649	8,101,672	6,853,982	6,231,590
Social security costs	827,450	752,291	622,903	575,272
Pension costs – defined contribution	169,243	133,041	149,146	104,170
	9,799,342	8,987,004	7,626,031	6,911,032

#### 7 Directors and key management remuneration

	Group 2019	Group 2018	Company 2019	Company 2018
	Unaudited			
	£	£	£	£
Emoluments	115,264	111,195	-	-
Money purchase pension contributions	3,458	3,344	-	-

The number of directors for whom retirement benefits are accruing under defined contributions amounted to 1 (2018: 1). Remuneration in respect of the highest paid director amounted to emoluments of £115,264 (2018: £111,195) and money purchase pension contributions of £3,458 (2018: £3,344). There was no remuneration to key management in the year.

Other directors of the company are paid by another group company.

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

8	Taxation	Group 2019	Group 2018	Company 2019	Company 2018
		£	Unaudited £	£	£
	<b>Domestic current period tax</b>				
	U.K. corporation tax	103,429	522	103,429	-
	Adjustments in respect of previous periods	723	-	-	-
	Overseas tax suffered	147,225	138,873	-	-
	<b>Total current tax charge/(credit)</b>	<b>251,377</b>	<b>139,395</b>	<b>103,429</b>	<b>-</b>
	<b>Deferred tax</b>				
	Origination and reversal of timing differences	(43,440)	(32,510)	15,336	(207,062)
	Adjustments in respect of previous periods	449,749	(158,038)	420,983	(158,038)
	Total deferred tax charge	<b>406,309</b>	<b>(190,548)</b>	<b>436,319</b>	<b>(365,100)</b>
	Total tax charge/(credit)	<b>657,686</b>	<b>(51,153)</b>	<b>539,748</b>	<b>(365,100)</b>
	<b>Factors affecting the tax charge for the period</b>				
	Profit on ordinary activities before taxation	12,402,645	10,390,292	14,783,456	10,146,804
	Profit on ordinary activities before taxation multiplied by standard UK corporation tax rate of 19% (2018: 19%)	2,356,503	1,974,155	2,808,857	1,927,893
	Effects of:				
	Fixed asset differences	328,426	259,867	270,443	-
	Expenses not deductible for tax purposes	104,786	189,361	743	-
	Group relief claimed	(2,476,989)	(2,205,673)	(2,948,099)	(2,159,315)
	Other permanent differences	(11,228)	-	(11,228)	-
	Difference from foreign tax rates	(99,247)	(29,296)	-	-
	Adjustments in respect of previous periods	450,168	(158,038)	420,678	(158,038)
	Deferred tax not recognised	-	(85,354)	-	-
	Difference in opening and closing deferred tax rates	5,267	3,825	(1,646)	24,360
	<b>Current tax charge/(credit) for the period</b>	<b>657,686</b>	<b>(51,153)</b>	<b>539,748</b>	<b>(365,100)</b>



# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 9 Intangible fixed assets

<b>Goodwill</b>	<b>Group</b>	<b>Company</b>
	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>		
At 1 September 2018 (group - unaudited) and at 31 August 2019	23,556,112	13,642,871
<b>Amortisation</b>		
At 1 September 2018 (group - unaudited)	11,292,336	2,478,147
Charge for the year	1,911,086	1,364,287
At 31st August 2019	13,203,422	3,842,434
<b>Net book value</b>		
At 31 August 2019	10,352,690	9,800,437
At 31 August 2018 (group - unaudited)	12,263,776	11,164,724

The directors considered the carrying value of goodwill at 31 August 2019 for impairment indicators and were satisfied that the net book value was fully recoverable. This includes reviewing the business plan forecast and cashflows, and the consideration of market conditions and its impact on the business.

#### 10 Company Investments

<b>Cost</b>	<b>Shares in subsidiary undertakings</b>
	<b>£</b>
Cost at 1 September 2017 (group - unaudited)	16,651,026
Additions	100,075
At 31 August 2018 (group - unaudited) and at 31 August 2019	16,751,101

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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### 10 Company 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 2019	Profit/(loss) for the year 2019
Rock Place Management Limited	Provision of music education	34,304,069	-
No.7 Limited	Property management & publishing	12,312,893	(2,648,005)
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	4,779,051	1,040,381
BRICTT Limited	Provision of performing arts education	(1,210,765)	(344,327)
BIMM Education Limited	Dormant	1	-

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 11 Tangible fixed assets

Group	Land and Buildings Freehold £	Land and Buildings Leasehold £	Plant and Machinery £	Fixtures, fittings and equipment £	Total £
<b>Cost or valuation</b>					
1st September 2018 (unaudited)	6,813,563	17,968,367	224,570	5,449,059	30,455,559
Forex	-	18,849	2,145	6,899	27,893
Additions	-	1,000,328	-	683,635	1,683,963
At 31st August 2019	6,813,563	18,987,544	226,715	6,139,593	32,167,415
<b>Depreciation</b>					
1st September 2018 (unaudited)	1,228,200	3,904,916	222,982	2,771,892	8,127,990
Forex	-	12,104	2,145	5,201	19,450
Charge for the year	111,825	1,292,827	1,362	1,092,331	2,498,345
At 31st August 2019	1,340,025	5,209,847	226,489	3,869,424	10,645,785
<b>Net book value</b>					
At 31 <sup>st</sup> August 2019	5,473,538	13,777,697	226	2,270,169	21,521,630
At 31 <sup>st</sup> August 2018 (unaudited)	5,585,363	14,063,451	1,588	2,677,167	22,327,569
Company	Land and Buildings Leasehold £	Plant and machinery £	Fixtures, fittings and equipment £	Total £	
<b>Cost or valuation</b>					
1st September 2018	2,217,560	21,391	-	2,238,951	
Additions	-	-	9,373	9,373	
Disposals	(70,408)	-	(394)	(70,802)	
At 31st August 2019	2,147,152	21,391	8,979	2,177,522	
<b>Depreciation</b>					
1st September 2018	178,460	19,802	-	198,262	
Charge for the year	131,440	1,362	1,456	134,258	
At 31st August 2019	309,900	21,164	1,456	332,520	
<b>Net book value</b>					
At 31 <sup>st</sup> August 2019	1,837,252	227	7,523	1,845,002	
At 31 <sup>st</sup> August 2018	2,039,100	1,589	-	2,040,689	

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 CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

12 Debtors: amounts falling due within one year	Group	Group	Company	Company
	2019	2018	2019	2018
		<b>Unaudited</b>		
	£	£	£	£
Trade Debtors	313,438	29,350	256,783	-
Amounts owed by group undertakings	36,957,270	27,427,125	54,417,724	41,123,254
Prepayments and accrued income	852,209	802,145	428,813	288,799
Other debtors	632,632	25,911	360,217	3,823
	<u>38,755,549</u>	<u>28,284,531</u>	<u>55,463,537</u>	<u>41,415,876</u>

Amounts owed by BRICTT Limited are charged at an annual fixed interest rate of 14%. All other intercompany balances are repayable on demand and are non-interest bearing.

13 Cash and cash equivalents	Group	Group	Company	Company
	2019	2018	2019	2018
		<b>Unaudited</b>		
	£	£	£	£
Cash at bank and in hand	9,472,635	9,835,085	6,696,120	7,345,183

14 Creditors: amounts falling due within one year	Group	Group	Company	Company
	2019	2018	2019	2018
		<b>Unaudited</b>		
	£	£	£	£
Trade creditors	1,568,134	975,637	817,637	381,616
Amounts owed to group undertakings	15,368,555	19,418,555	90,228,116	92,243,680
Taxation and social security	172,880	178,501	145,360	141,263
Other creditors	1,750,621	1,442,008	1,716,534	1,364,584
Accruals and deferred income	5,192,615	6,951,997	4,842,584	6,563,920
	<u>24,052,805</u>	<u>28,966,698</u>	<u>97,750,231</u>	<u>100,695,063</u>

All intercompany balances are repayable on demand and are non-interest bearing.

#### 15 Financial instruments

Financial instruments have been classified based on their characteristics in the following classes of financial assets and liabilities:

- Loans and receivables: including trade and other receivables and cash and cash equivalents.
- Financial liabilities at amortised costs: including trade and other payables.

At 31 August 2019 the group held no derivative financial instruments (2018 (unaudited): NIL) or financial liabilities held at fair value through profit and loss (2018 (unaudited): NIL).

#### 15 (a) Fair values of financial instruments

##### *Trade and other receivables*

Due to the short term nature of trade and other receivables the carrying amounts were taken as realistic estimates of the fair value, and the impact of discounted is not considered to be material.

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 15 (a) Fair values of financial instruments (continued)

##### Trade and other payables

Due to the short term nature of trade and other payables the carrying amounts were taken as realistic estimates of the fair value, and the impact of discounting is not considered to be material.

##### Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

The fair values of all financial assets and financial liabilities by class equal to their carrying amounts are as shown in the statement of financial position.

The carrying amounts of all financial assets by class are as follows:

Classes	Category	Group	Group	Company	Company
		2019	2018	2019	2018
		Unaudited			
		£	£	£	£
Trade receivables	Loans and receivables	313,438	29,350	256,783	-
Other receivables	Loans and receivables	632,632	25,911	360,217	3,823
Cash	Cash and cash equivalents	9,472,635	9,835,085	6,696,120	7,345,183
<b>Total financial assets</b>		<b>10,418,705</b>	<b>9,890,346</b>	<b>7,313,120</b>	<b>7,349,006</b>

VAT and prepayments are excluded from the other receivable balance as they do not meet the definition of financial assets.

The carrying amounts of all financial liabilities by class are as follows:

Classes	Category	Group	Group	Company	Company
		2019	2018	2019	2018
		Unaudited			
		£	£	£	£
Trade payables	Financial liabilities measured at amortised cost	1,568,134	975,637	817,637	381,616
Other payables	Financial liabilities measured at amortised cost	1,750,621	1,442,008	1,716,534	1,364,584
<b>Total financial liabilities</b>		<b>3,318,755</b>	<b>2,417,645</b>	<b>2,534,171</b>	<b>1,746,200</b>

Accruals are excluded from the other payable balance as they do not meet the definition of financial liabilities.

#### 15 (b) Credit risk

##### Financial risk management

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the group's receivables from customers and investment securities.

Exposure to credit risk arises from the potential of a customer defaulting on their invoiced payables. The financial strength and creditworthiness of customers is assessed prior to commencing, and for the duration of, their contract of supply.

In addition, receivable balances and payment profile of the receivables are monitored on an ongoing basis. The group has contracts in place with university and college funding partners and the group manages this risk by adopting a policy of only dealing with high credit quality counterparties. In the region of 90% of the UK income is derived as a student loan which is monitored on an on-going basis and where a student withdraws or is unable to make the required payments a provision is made. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 15 (b) Credit risk (continued)

##### Exposure to credit risk

The maximum exposure to credit risk at the balance sheet date by class of financial instrument was:

	Group 2019	Group 2018	Company 2019	Company 2018
	£	Unaudited £	£	£
Trade receivables	1,282,559	930,022	1,193,780	871,561
Provision for bad debt	(969,121)	(900,672)	(936,997)	(871,561)
Net trade receivable	<b>313,438</b>	<b>29,350</b>	<b>256,783</b>	-

##### Credit quality of financial assets and impairment losses

The aging of trade receivables at the balance sheet date was:

	Gross Group 2019	Gross Group 2018	Gross Company 2019	Gross Company 2018
	£	Unaudited £	£	£
Not past due	-	-	-	-
Past due 0 – 30 days	-	-	-	-
Past due 31 – 90 days	-	-	-	-
Past due 90+ days	<b>1,282,559</b>	<b>930,022</b>	<b>1,193,780</b>	<b>871,561</b>
	<b>1,282,559</b>	<b>930,022</b>	<b>1,193,780</b>	<b>871,561</b>

Group trade receivables of £969,121 were considered to be impaired as at 31 August 2019 (2018(unaudited): £900,672). Company trade receivables of £936,997 were considered to be impaired as at 31 August 2019 (2018: £871,561).

#### 15 (c) Liquidity risk

		2019				
	Carrying amount £	Contractual cash flows £	One year or less £	1 to <2 years £	2 to <5 years £	5 years and over £
<b>Non-derivative financial liabilities</b>						
Group trade and other payables	3,318,755	3,318,755	3,318,755	-	-	-
Company trade and other payables	2,534,171	2,534,171	2,534,171	-	-	-
		2018 (group - unaudited)				
	Carrying amount £	Contractual cash flows £	One year or less £	1 to <2 years £	2 to <5 years £	5 years and over £
<b>Non-derivative financial liabilities</b>						
Group trade and other payables	2,417,645	2,417,645	2,417,645	-	-	-
Company trade and other payables	1,746,200	1,746,200	1,746,200	-	-	-

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 15 (d) Market risk

##### Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments.

During the period, the BIMM group did not hold directly any forward foreign exchange contracts, currency swaps and did not use derivative financial instruments.

##### Market risk - Foreign currency risk

The group may be exposed to foreign currency exchange rate risk resulting from entering into certain transactions denominated in currencies other than GBP Sterling. The group is also exposed to foreign currency exchange rate risk for its bank accounts denominated in currencies other than GBP Sterling.

The group's exposure to foreign currency risk was as follows. This was based on the carrying amount for monetary financial instruments:

Currency	Euro	2019	2018 Unaudited
		£	£
Cash and cash equivalents		2,712,977	2,083,642
Trade and other receivables		27,265	18,419
Trade and other payables		(56,725)	(49,971)
Net exposure		<u>2,683,517</u>	<u>2,052,090</u>

##### Sensitivity analysis

A 10 per cent strengthening of the following currencies against the GBP Sterling respectively at 31 August 2019 and 31 August 2018 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables, in particular other exchange rates and interest rates, remained constant.

	Equity 2019	Profit or loss 2019	Equity 2018 Unaudited	Profit or loss 2018 Unaudited
	£	£	£	£
Euro denominated	477,905	104,038	373,867	74,623

A 10 per cent weakening of the above currencies against the GBP Sterling respectively at 31 August 2019 and 31 August 2018 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

##### Market risk – Interest rate risk

The group is not exposed to interest rate risk. The group did not hold any investment in equity securities. The group had no significant exposure to movement in equity price.

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

16	Deferred tax	Group	Group	Company	Company
		2019	2018	2019	2018
		Unaudited			
		£	£	£	£
<b>The deferred tax is made up as follows:</b>					
	Balance at 1 September	398,577	33,477	398,577	33,477
	Recognised in Statement of Comprehensive Income	(398,577)	365,100	(398,577)	365,100
	Balance at 31 August	-	398,577	-	398,577

### 17 Provision for liabilities

Provision is made for deferred tax liabilities as follows:

	Group	Group	Company	Company
	2019	2018	2019	2018
		Unaudited		
		£	£	£
	Balance at 1 September	(37,877)	136,675	-
	Recognised in Statement of Comprehensive Income	(7,732)	(174,552)	(37,742)
	Balance at 31 August	(45,609)	(37,877)	(37,742)

The deferred tax liability results for timing differences on fixed assets.

### 18 Group and parent share capital

	2019	2019	2018	2018	
	No.	£	No.	£	
Authorised, allotted and fully paid:		Group unaudited		Group Unaudited	
Ordinary shares of £1 each	6	6	6	6	
		6		6	

All shares are considered to be equity in nature. All shares represent one vote and carry an equal right to participate in a dividend distribution.

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).

### 19 Commitments under operating leases

Future minimum lease payments under non-cancellable operating leases as follows:

Group	Land & buildings		Other		
	2019	2018	2019	2018	
		Unaudited		Unaudited	
		£	£	£	£
Within one year	1,650,240	1,571,399	65,150	73,017	
Between 2-5 years	6,315,557	6,298,987	78,202	143,352	
More than 5 years	11,286,498	12,621,050	-	-	
	19,252,295	20,491,436	143,352	216,369	



# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 19 Commitments under operating leases (continued)

Company	Land & buildings		Other	
	2019	2018	2019	2018
	£	£	£	£
Within one year	875,000	727,000	65,150	73,017
Between 2-5 years	3,500,000	2,908,000	78,202	143,352
More than 5 years	7,474,750	6,203,750	-	-
	<u>11,849,750</u>	<u>9,838,750</u>	<u>143,352</u>	<u>216,369</u>

#### 20 Related party transactions

At the year end the group had the following balances with fellow subsidiary companies:

	2019	2019	2018	2018
	£	£	Unaudited	Unaudited
	Debtor	Creditor	Debtor	Creditor
BIMM Group Limited	36,339,139	-	27,172,434	-
BIMM Holdings Limited	-	(2,833,148)	-	(2,983,148)
BIMM 1 Limited	-	(12,535,407)	-	(16,435,407)
BIMM Topco Limited	618,131	-	254,691	-
	<u>36,957,270</u>	<u>(15,368,555)</u>	<u>27,427,125</u>	<u>(19,418,555)</u>

At the year end the company had the following balances with fellow group companies:

	2019	2019	2018	2018
	£	£	£	£
	Debtor	Creditor	Debtor	Creditor
Tech Music Schools Limited	-	21,641,501	-	21,641,501
Rock Place Management Limited	-	34,304,069	-	34,304,069
Kings Square Management Limited	-	7,518,005	-	7,518,005
No.7 Limited	-	11,041,709	-	12,891,555
South Coast Sounds Limited	-	50,000	-	50,000
BIMM Dublin Limited	594,834	-	535,913	-
BRICCT Limited	1,273,719	-	865,561	-
BIMM Group Limited	31,092,250	-	22,525,120	-
BIMM Holdings Limited	-	15,672,832	-	15,838,550
BIMM 1 Limited	20,168,794	-	16,268,793	-
BIMM Topco Limited	1,288,127	-	927,867	-
	<u>54,417,724</u>	<u>90,228,116</u>	<u>41,123,254</u>	<u>92,243,680</u>

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 20 Related party transactions (continued)

During the year end the company had the following transactions with fellow group companies:

	2019	2018
	£	£
<b>BRICTT Limited:</b>		
Interest charges accrued on intercompany balances	149,413	98,936
<b>No.7 Limited:</b>		
Rent and facility fee charges	991,630	1,111,963
Course note purchases	-	3,711,250

#### 21 Capital Commitments

The group and company have no outstanding capital commitments at 31 August 2019 (31 August 2018: Nil).

#### 22 Group

BIMM Topco Limited is the ultimate parent company of the group. The majority shareholder of BIMM Topco Limited is Sovereign Capital Limited Partnership IV at 25 Victoria Street, London, SW1H 0EX. The managing partner is Sovereign Capital Partners LLP. 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.

#### 23 Post balance sheet events

On 8 November 2019, BIMM Limited acquired 100% of the shares in Performers College Limited. As this transaction occurred after the balance sheet date, the results of the Performers College Limited have not been included in these consolidated financial statements.