

Company Registration No. 06347465 (England and Wales)

**BIMM LIMITED ANNUAL REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

# BIMM LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	A P Carswell A Cox J J Frampton (resigned 19 October 2020) M A Hunt A R Wadsworth A Weltman (appointed 19 October 2020) B O Yeboah
<b>Secretary</b>	A P Carswell
<b>Company number</b>	06347465
<b>Registered office</b>	38-42 Brunswick Street West Hove East Sussex BN3 1EL
<b>Auditor</b>	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
<b>Bankers</b>	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 2020

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The directors present their strategic report and financial statements for the year ended 31 August 2020.

#### Review of the business

The directors of the business are satisfied with the results for the year ended 31 August 2020. 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 2020	Year ended 31 August 2019
	£m	£m
Income	51.6	43.3
EBITDA	19.2	16.9
Surplus before tax	14.5	12.4

Income has been driven by growth in the less mature colleges (BIMM Birmingham and Institute for Contemporary Theatre (ICT)) as well as growth in BIMM London. Changes in student population mix within the more established colleges have also contributed towards this increase. 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.

The servicing of debt; capital expenditure and centralised head office costs are borne within other entities in the BIMM Topco Group ("BIMM Group"). These costs are not re-charged to BIMM Limited, however there are cross-guarantees between entities in the BIMM group. Financial statements EBITDA (Earnings before interest, tax, depreciation and amortisation) is the key KPI monitored throughout the year. The business delivered EBITDA on a financial statements basis of £19,208,231 (2019: £16,904,478) for the year which was in line with budgeted expectations. The year-on-year change is driven by growth in the less mature colleges.

On 1 August 2019, BIMM Limited (a subsidiary undertaking) became registered with the Office for Students (OfS) as an Approved Fee Cap Provider. As a result of OfS registration, BIMM Limited is eligible for recurrent grant and capital grant income. In the year ended 31 August 2020 £2,412,000 (2019: £201,000) has been recognised within the group's income.

During the year, BIMM acquired two well established higher education performing arts colleges - Performers College (November 2019) and Northern Ballet School (June 2020). In the year, this contributed £2,570,493 to income and £554,692 to surplus before tax. Both acquisitions support the Board's strategy to further diversify BIMM's curriculum expansion into Performing Arts and Film. See note 21 for further details.

As a result of the UK Coronavirus Lockdown in 2020, BIMM delivered all classes remotely (i.e. online) between March and August. The group was able to maintain all academic and quality standards during the period, this was achieved by making investments in technology and telecommunication networks.

Throughout Semester 1 in the 2020/21 academic year, BIMM has delivered classes via blended delivery i.e a combination of online and in-person classes. Due to social distancing guidelines, a significant but temporary increase in teaching delivery costs have been noted. The business has adequate resources and capital to manage this increased requirement. See the directors report for further details of the group's activities in relation to the pandemic.

BIMM does not own or generate income from student accommodation, halls of residence, restaurants, cafes or conferencing suites. On this basis, there has been no significant reduction in such income as a result of the UK Coronavirus Lockdown. BIMM was not significantly impacted by BREXIT during the year. Throughout 2021, EU national students will be supported through the EU Settlement Scheme which came into effect on 1 January 2021.

# **BIMM LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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Net cash generated in the year was £3,095,841 (2019: £362,450 decrease). The positive cash generation was generated via normal working capital activity. In the prior year, the decrease was driven by a temporary change in working capital cycle as result of achieving OfS Approved Fee Cap Status.

Cash held at year end was £12,568,476 (2019: £9,472,635). The business continues to deliver a strong level of operational cashflow providing significant headroom on debt servicing across the whole BIMM Group. During the year, the wider BIMM Group utilised existing bank facilities to fund the acquisition of Performers College.

All BIMM Group banking covenants tests were passed throughout the year. Significant headroom is forecast throughout the business plan period as a result revised banking facilities for the group, which BIMM Limited also benefits from, as part of the ultimate parent change of ownership in November 2020.

No dividends were proposed or paid during the year.

#### Non - Trading Performance: Key Indicators

In 2020, the UK Music Colleges improved overall NSS (National Student Survey) scores from 67 to 71.2. This survey is only applicable to the UK Colleges forming part of BIMM Limited's OfS registration.

#### **S.172 Statement**

The Board of Directors continue to act in good faith to promote the success of the company for the benefit of its members as a whole:

#### Consequences of any decision in the long term

During the year, BIMM commenced the marketing of its own degrees across the UK Colleges under TDAP (Taught Degree Awarding Powers). The first cohorts were successfully enrolled in October 2020 and initiates the 3 year teach out period with University Partners.

This decision will provide BIMM with a greater ability to refresh course content and delivery to support widening participation and progression outcomes.

#### Interests of the company's employees

BIMM 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. During the UK Lockdown these have been replaced with online conference meetings.

#### Fostering the company's business relationships with suppliers, customers and others

Several initiatives to widen access to students from low participation groups were delivered under BIMM's OfS Approved Access and Participation Plan. <https://www.bimm.ac.uk/governance-and-quality/access-and-participation>

See note 5 for further details on the Access and Participation Plan.

The Group continues to work closely with University and Further Education Partners to deliver courses under validation and franchise agreements.

On-going development of curriculum management steering groups ensure that relationships with Tutors are secure in the long term.

#### Impact of the company's operations on the community and the environment

BIMM 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.

Cyber security continues to be an area on focus during the period of remote working. During the year, investments have been into Cyber software and hardware as well an internal audit review of policies and procedures.

#### The need to act fairly as between members of the company

There are two subcommittees (remuneration and nomination) in place to ensure unbiased treatment of the members of the company.

# **BIMM LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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Additionally, the Board is composed of Executive, Non-Executive and Investment Directors to ensure there is a well-balanced evaluation of key matters. The Executive remuneration is reviewed annually by BIMM's Remuneration Committee, in accordance with the Higher Education Senior Staff Remuneration Code published by the Committee of University Chairs (CUC).

#### The desirability of the company maintaining a reputation for high standards of business conduct

The Board engages with a variety of stakeholders, including students, The Office for Students, and University Partners, to inform and enable balanced decisions that incorporate multiple viewpoints, whilst maintaining the Company's Strategy. In making decisions the Board considers outcomes from engagements with stakeholders as well as the importance of maintaining the Company's integrity, brand and reputation.

#### **Future Prospects**

In October 2020, BIMM successfully enrolled cohorts across Music, Performing Arts and Film under BIMM Limited's TDAP.

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 20 November 2020, the BIMM Group changed ownership from Sovereign Capital Partners Fund IV to ICG Europe Fund VII. A newly formed entity, Murphy Topco Ltd (a UK registered company) became the ultimate parent company of the BIMM Group. As part of the transaction, all banking facilities were revised to provide the group with greater resource to achieve its strategic objectives. See note 24 for further details.

#### **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 Topco Limited Board, Audit Committee, Executive Management Group and Academic Board.

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 the year 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 non-traditional 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. See note 5 for further details on the Access and Participation Plan.

No emerging risks were identified during the year or after the balance sheet date. See the Statement of corporate governance and internal control on page 8 for further details on how emerging risks are identified and managed.

# BIMM LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### 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.

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. The BIMM Topco group has access to borrowing facilities that can be used to manage working capital if required.

### ENERGY AND CARBON REPORTING

#### SECR Statement:

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 implement the government's policy on Streamlined Energy and Carbon Reporting (SECR). BIMM Limited qualifies for SECR compliance as a UK-based large unquoted company. Reporting has been conducted in accordance with the Greenhouse Gas (GHG) Protocol Corporate Standard, using the Department for Environment, Food & Rural Affairs' (DEFRA) emissions factors to calculate emissions.

Table 1 below presents BIMM Limited's Scope 1 and Scope 2 emissions for the financial period 1st September 2019 to 31st August 2020. As this is the first year of reporting, organisations are not required to disclose information for the previous year.

**Table 1 - Carbon emissions and energy use data for the SECR period 1<sup>st</sup> Sept 2019 - 31<sup>st</sup> Aug 2020**

	Current Reporting Year: 2019-2020
Total energy consumption used to calculate carbon emissions [kWh]	<b>2,019,152</b>
Emissions from purchased electricity in buildings (Scope 2) [tCO <sub>2</sub> e]	<b>416.6</b>
Emissions from combustion of natural gas in buildings (Scope 1) [tCO <sub>2</sub> e]	<b>41.8</b>
Emissions from passenger vehicle transport (Scope 1) [tCO <sub>2</sub> e]	<b>1.2</b>
Total organisational emissions [tCO <sub>2</sub> e]	<b>459.6</b>
Carbon intensity ratio - carbon emissions per m <sup>2</sup> of buildings portfolio [kgCO <sub>2</sub> e/m <sup>2</sup> ]	<b>32.9</b>

#### Energy Efficiency Actions:

In the period covered by the report, BIMM Limited has implemented an ongoing program of light emitting diode (LED) lighting replacement in buildings. These energy saving actions were recommendations from the Company's most recent Energy Savings Opportunity Scheme (ESOS) audit.

# **BIMM LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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### **STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL**

The Board of BIMM Limited is the governing body of the entity registered with the Office for Students in the Approved (fee cap) category with Taught Degree Awarding Powers trading as BIMM Institute and was established in its current form in February 2019. The Board is chaired by a non-executive chairman and includes non-executive directors with expertise in the areas of creative arts Higher Education, corporate leadership, the commercial music industry, and branding and marketing. The Chief Executive Officer and the Director of Finance are members of the Board and the Academic Director & Provost attends Board meetings in his capacity as Chair of the Academic Board. The Board meets quarterly. BIMM ensures transparency in its corporate governance arrangements by publishing these on the website at [bimm.ac.uk/governance-and-quality/governance-framework](http://bimm.ac.uk/governance-and-quality/governance-framework).

The Board's primary responsibilities include:

- To approve the mission and strategic vision of the Institution, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
- To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the Institution against the plans and approved key performance indicators.
- To delegate authority to the Chief Executive Officer and Head of Institution, for the academic, corporate, financial, estate and human resource management of the Institution. And to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Chief Executive Officer and Head of Institution.
- To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.
- To establish processes to monitor and evaluate the performance and effectiveness of the Board itself.
- To conduct its business in accordance with best practice in higher education corporate governance.
- To be the principal financial and business authority of the Institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the Institution's assets, property and estate.
- To be the Institution's legal authority and, as such, to ensure that systems are in place for meeting all of the Institution's legal obligations, including those arising from contracts and other legal commitments made in the Institution's name.
- To receive assurance that adequate provision has been made for the general welfare of students.
- To oversee the development, review and compliance with policies and practices on legal and regulatory requirements including without limitation the Higher Education Prevent Duty in England, Health & Safety and Data Protection.
- To take such steps as are reasonably practicable to ensure that freedom of speech within the law is secured across the Institution.
- To ensure that, in accordance with the Articles, academic staff, while engaged in research or teaching, have freedom within the law to question and test received wisdom and to put forward new ideas and controversial or unpopular opinions without placing themselves in jeopardy of losing their jobs or privileges they may have within the Institution.
- To ensure that the Institution's Articles of Association and these Standing Orders are followed at all times and that appropriate advice is available to enable this to happen.
- To ensure regularity and propriety in the use of public funding.

The Board has formally adopted the key values and elements of The Higher Education Code of Governance published by the Council of University Chairs.



# **BIMM LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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In fulfilling its responsibilities the Board has established three subcommittees:

#### **Academic Board:**

The Board delegates certain powers and responsibilities to the Academic Board, which is the Institution's academic authority and will promote the academic and professional work of the Institution. The powers and responsibilities of the Academic Board are set out in its terms of reference.

#### **Audit Committee:**

The Board delegates certain powers and responsibilities to the Audit Committee, which is responsible for overseeing and providing assurance to the Board on the effectiveness of the operation of the Institution's processes and systems, the management of risk, and the correctness and integrity of the information provided to the Board and external bodies. The powers and responsibilities of the Audit Committee are set out in its terms of reference.

#### **Nominations Committee**

The Board delegates certain powers and responsibilities to the Nominations Committee, which is responsible for overseeing the appointment and reappointment of appointed members of the Board, taking account of the overall diversity of the Board and its subcommittees and ensuring that there is an appropriate mix of skills and experience on the Board to enable it to fulfil its responsibilities, and for succession planning for the Board and the Executive Management Group. The powers and responsibilities of the Nominations Committee are set out in its terms of reference.

The composition and terms of reference of the Board and its subcommittees are published on BIMM Institute's website as part of the Institution's Governance Infrastructure and are also made available to students and staff through the virtual learning environment.

The Board has in place adequate and effective arrangements for corporate governance, risk management and oversight of any statutory and other regulatory responsibilities including ensuring compliance with the Office for Student's ongoing conditions of registration, any terms and conditions of funding and other relevant regulatory responsibilities.

During 2019/20 academic year, the Board oversaw the implementation of a number of enhancements to its governance arrangements arising from an external Governance Effectiveness Review commissioned by the Board and undertaken by Pinsent Masons. The final report, received by the Board in December 2019, included the following remarks in its executive summary:

*We have...observed a highly professional approach to governance at BIMM and a culture of and commitment to good governance within the institution. The Board performs well and there is a clear commitment from all members, the executive management group ("EMG") and wider governance team to make both the operation of the Board and BIMM a success. There is evidence that all members of the Board and the EMG take every opportunity to develop the governance arrangements of the institution to continue to ensure effective governance and that they understand the obligations placed on them.*

*We consider that the processes followed by the Board and its sub-committees demonstrate that a good governance framework is in place. The recommendations in this report are intended to enhance that framework (which is recognised as being newly established) and enable BIMM to maintain its effective governance in the context of the Framework, which places good governance as one of its foundations.*

*[Pinsent Masons, Governance Effectiveness Review Report, 6<sup>th</sup> December 2019]*

# **BIMM LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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### **INTERNAL CONTROL**

Risk registers are maintained and reviewed quarterly by the EMG and the audit committee. Risk is assessed in the register by assigning a score based on likelihood of a risk multiplied by the impact if that risk occurred. Residual risk is then assessed once mitigating actions have been agreed. To ensure completeness of the risk assessments a PESTEL analysis is performed on a quarterly basis.

To ensure that risk assessment and internal control is embedded in on-going operations, the central risk register is cascaded down to college operations via the Senior Management Group quarterly review meetings. By including all levels of the operation in risk assessment the Board ensures that business, operational, compliance, and financial risk are included in assessments. In addition, a 3<sup>rd</sup> party provider is used to review internal controls across all operations. The conclusions of these reports are presented at each audit committee and subsequent BIMM Limited Board meetings. The Board receives the minutes of the audit committee meetings by way of assurance that a sound system of internal control is being maintained and the effectiveness of these controls reviewed. In their annual audit work upon the financial statements the group's external independent auditor also reports on the sufficiency of BIMM's internal controls such that they might cause material misstatement to the financial statements.

In all of these procedures no significant internal control weaknesses were identified in the year.

This statement of corporate governance and internal control relates to the period September 2019 to August 2020 (FY20).

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



B O Yeboah  
Director

Date 25 March 2021

# **BIMM LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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The directors present their report and financial statements for the year ended 31 August 2020.

#### **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 income for the year amounted to £51,639,035 (2019: £43,329,934) and the surplus for the year, after taxation, amounted to £13,759,155 (2019: £11,744,959). Group cash held at year end was £12,568,476 (2019: £9,472,635).

No dividends were proposed or paid during the year.

#### **Directors**

The following directors have held office since 1 September 2019:

A P Carswell

M A Hunt

A Cox

J J Frampton (resigned 19 October 2020)

A R Wadsworth

A Weltman (appointed 19 October 2020)

B O Yeboah

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

The directors are responsible for preparing the Strategic Report, 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 2020***

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### **Going concern**

After reviewing BIMM Limited group's and company's forecasts and considering their profit and net assets 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 group and company have adequate resources to continue in operational existence and to meet their liabilities and obligations for the foreseeable future, being a period of at least 12 months from the date of these accounts. The uncertainty as to the future impact of the recent COVID-19 outbreak in particular has been considered as part of the group's and company's adoption of the going concern basis.

As part of the wider BIMM Topco Group, BIMM Limited also considers the banking and covenant requirements of the wider group. After reviewing BIMM Topco Group's forecasts and and considering the net current liabilities at the year end, the directors have a reasonable expectation that the BIMM Topco Group has adequate resources to continue in operational existence and to meet its liabilities and obligations for the foreseeable future, being a period of at least 12 months from the date of these accounts and therefore provides appropriate support for the group.

To date, we have not observed any material impact on our activities due to COVID-19 and based on current projections do not expect a material impact in either the short or long term. This expectation is under constant review as we monitor the development and impact of the pandemic.

Our Business Continuity Plan has been developed to minimise disruption to students, tutors, and employees in times of crisis and has been incorporated into our business model. We have adapted our business model with regards to COVID-19 by swiftly moving our delivery to an on-line model which allows both students and tutors, along with group employees, to perform their usual activities with minimal disruption to expected outcomes.

In preparing our updated budget and financial forecast in line with our usual timetable, we started with our annual budget, and then considered in particular any further impact in light of the COVID-19 situation. Due to the off-set of extra costs against cost savings listed below only minor adjustments were required to this baseline view to prepare our COVID-19 analysis. The review was extended up to and including the position as at March 2022.

As part of our assessment, we considered the potential impact on student numbers and income, incremental costs or savings, and impact on cashflow. The swift move to online delivery has meant that there has been no reduction in student engagement. Although a reduction in student numbers is not expected, our modelling considered scenarios up to a 25% reduction in student numbers. In all scenarios the business remains cash generative.

The majority of income is provided via the Student Loans Company (SLC) and the SLC has confirmed that there will be no reduction in fees provided in relation to the student engagement. COVID-19 has meant some incremental costs, primarily in ensuring all stakeholders have the necessary infrastructure to deliver from home. Some costs, primarily those involved in work outside of the colleges such as events, and building running costs have reduced and the net effect on the reforecast budget is not materially different from the initial view. To date it has not been necessary to furlough any staff.

In terms of cash, the above business model ensures that the cash position is largely unaffected. Indeed the SLC has agreed to pay some tranches of its payments in advance of the traditional timing. In addition to this, the group's banking facilities were refreshed in November 2020 include a rolling credit facility of £10m which we consider to be more than ample (see note 24). Management have considered a number of downside scenarios around a significant decrease in new students. A very significant decrease could cause a breach in covenants. However, the current applications and acceptances are tracking in line with the business plan. We have also considered what government relief is available for businesses at this time. The business has remained cash generative in all scenarios modelled.

In preparing our COVID-19 forecast model, the following key assumptions were used:

- The SLC will continue to honour its payments model (confirmed May 2020)
- Existing banking facilities will remain in place (signed agreements are in place beyond the horizon of the forecast)
- An active market for education remains in place (continuity of education is a priority in government planning)

We continue to consider which, if any, of the government business support measures might form part of our ongoing mitigating activities.

**BIMM LIMITED**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**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.

**Employee communication and engagement**

The Group uses a range of policies to manage its approach to people-related issues and promote a culture of engagement across its organisation. These policies cover areas including work-life balance, health and safety, performance and conduct, recruitment and training. These policies are communicated in a variety of ways including through the operational senior management team meetings and college management meetings, as well as through the academic framework, including the academic board.

**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 O Yeboah

Director

Date 25 March 2021

# **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 31st August 2020 which comprise the Consolidated and Parent Company Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Cash Flows, the Consolidated and Parent Company Statement of Changes in Reserves 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 group's and the parent company's affairs as at 31st August 2020 and of the group's and the parent company's surplus and its income and expenditure, gains and losses, changes in reserves and the group's and parent company's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education published in October 2018; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under those Acts. 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 the 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.

#### **The impact of macro-economic uncertainties on our audit**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

#### **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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director's 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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In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

#### **Other information**

The director's responsible for the other information. The other information comprises the information included in the strategic report set out on pages 4-10. 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, prepared for the purposes of company law, 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 the 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') accounts direction (issued October 2019)**

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, and
- the requirements of the OfS's accounts direction (issued October 2019) have been met.

# **BIMM LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

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

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#### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept 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 the director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of the following matters where the OfS accounts direction (issued October 2019) requires us to report to you where:

- the company's grant and fee income, as disclosed in the note to the accounts, has been materially misstated; or
- the company's expenditure on access and participation activities for the financial year, as disclosed in the note to the accounts, has been materially misstated.

#### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of responsibilities of the directors set out on page 11 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's and the 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 parent 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](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 it 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.

*Grant Thornton UK LLP*

Anthony Thomas  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London, UK  
Date:  
25 March 2021



**BIMM LIMITED**  
**CONSOLIDATED AND PARENT STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Income</b>					
Tuition fees and education contracts	3	49,227,035	43,128,934	42,173,686	37,181,914
Funding body grants	3	2,412,000	201,000	2,412,000	201,000
Investment income		-	-	210,798	149,413
<b>Total Income</b>		<b>51,639,035</b>	<b>43,329,934</b>	<b>44,796,484</b>	<b>37,532,327</b>
<b>Expenditure</b>					
Staff costs	6	(13,106,825)	(9,799,342)	(10,642,226)	(7,626,031)
Other operating expenses		(19,323,979)	(16,626,114)	(15,105,662)	(13,560,701)
Depreciation	11	(2,524,031)	(2,498,345)	(299,860)	(134,258)
Amortisation	9	(2,093,291)	(1,911,086)	(1,430,372)	(1,364,287)
Interest and other finance cost		(60,607)	(92,402)	(28,934)	(63,594)
<b>Total expenditure</b>		<b>(37,108,733)</b>	<b>(30,927,289)</b>	<b>(27,507,054)</b>	<b>(22,748,871)</b>
<b>Surplus before tax</b>	5	<b>14,530,302</b>	<b>12,402,645</b>	<b>17,289,430</b>	<b>14,783,456</b>
Taxation	8	(771,147)	(657,686)	(550,826)	(539,748)
<b>Surplus for the year</b>		<b>13,759,155</b>	<b>11,744,959</b>	<b>16,738,604</b>	<b>14,243,708</b>
<b>Other comprehensive income for the year</b>					
Translation of foreign operations		(102,488)	3,734	-	-
<b>Total comprehensive income for the year</b>		<b>13,656,667</b>	<b>11,748,693</b>	<b>16,738,604</b>	<b>14,243,708</b>
<b>Total comprehensive income for the year attributable to:</b>					
Owners of BIMM Limited		13,729,946	11,834,775	16,738,604	14,243,708
Non-controlling interests		(73,279)	(86,082)	-	-
<b>Total comprehensive income for the year</b>		<b>13,656,667</b>	<b>11,748,693</b>	<b>16,738,604</b>	<b>14,243,708</b>

All amounts relate to continuing operations.

The notes on pages 22 to 40 form part of these financial statements.

**BIMM LIMITED**  
**CONSOLIDATED AND PARENT STATEMENT OF FINANCIAL POSITION**

**AS AT 31 AUGUST 2020**


	Notes	Group 2020	Group 2019	Company 2020	Company 2019
		£	£	£	£
<b>Non-current assets</b>					
Intangible assets and goodwill	9	10,559,454	10,352,690	9,502,948	9,800,437
Investments	10	-	-	18,457,644	16,751,101
Tangible assets	11	24,144,588	21,521,630	5,693,680	1,845,002
Deferred tax debtor	16	-	-	-	-
		<b>34,704,042</b>	<b>31,874,320</b>	<b>33,654,272</b>	<b>28,396,540</b>
<b>Current assets</b>					
Trade and other receivables	12	52,453,544	38,755,549	65,167,627	55,463,537
Current tax debtor		51,742	10,548	-	-
Cash and cash equivalents	13	12,568,476	9,472,635	9,582,666	6,696,120
		<b>65,073,762</b>	<b>48,238,732</b>	<b>74,750,293</b>	<b>62,159,657</b>
<b>Less: Current liabilities</b>					
Creditors: amounts falling due within one year	14	(29,656,609)	(24,052,805)	(99,394,727)	(97,750,231)
Tax Payable		(352,285)	(104,152)	(312,162)	(103,429)
		<b>35,064,868</b>	<b>24,081,775</b>	<b>(24,956,596)</b>	<b>(35,694,003)</b>
<b>Total assets less current liabilities</b>		<b>69,768,910</b>	<b>55,956,095</b>	<b>8,697,676</b>	<b>(7,297,463)</b>
Creditors: amounts falling due after more than one year					
Other provisions	17	(201,757)	(45,609)	(68,309)	(37,742)
<b>Total net assets/(liabilities)</b>		<b>69,567,153</b>	<b>55,910,486</b>	<b>8,629,367</b>	<b>(7,335,205)</b>
<b>Unrestricted reserves</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		-	-	(45,759,819)	(44,985,787)
Translation reserve		(47,961)	54,527	-	-
Profit and loss account - unrestricted		61,128,204	47,295,770	45,589,189	28,850,585
<b>Capital and reserves attributable to owners</b>		<b>69,880,240</b>	<b>56,150,294</b>	<b>8,629,367</b>	<b>(7,335,205)</b>
Non-controlling interests		(313,087)	(239,808)	-	-
<b>Total reserves</b>		<b>69,567,153</b>	<b>55,910,486</b>	<b>8,629,367</b>	<b>(7,335,205)</b>

The notes on pages 22 to 40 form part of these financial statements.

Approved by the Board and authorised for issue on 25 March 2021.



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



A P Carswell  
**Director**

**BIMM LIMITED**  
**CONSOLIDATED AND PARENT STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Cash flows from operating activities</b>					
Surplus for the year before taxation		14,530,302	12,402,645	17,289,430	14,783,456
Non cash adjustments:					
Depreciation	11	2,524,031	2,498,345	299,860	134,258
Amortisation	9	2,093,291	1,911,086	1,430,372	1,364,287
(Increase)/decrease in other trade receivables		(13,030,231)	(10,471,019)	(9,493,292)	(13,898,248)
Increase/(decrease) in other trade payables		4,852,266	(4,913,892)	870,464	(2,944,832)
Net foreign exchange differences		(84,778)	(4,709)	-	-
<b>Adjustment for investing or financing activities</b>					
Investment income		-	-	(210,798)	(149,413)
Interest payable		60,607	92,402	28,934	63,594
Loss on the disposal of fixed assets		-	-	-	70,802
		<b>10,945,488</b>	<b>1,514,858</b>	<b>10,214,970</b>	<b>(576,096)</b>
<b>Cash flows from operating activities</b>					
Taxation (paid)/received		(408,060)	(100,943)	(311,526)	-
<b>Net cash outflow from operating activities</b>		<b>10,537,428</b>	<b>1,413,915</b>	<b>9,903,444</b>	<b>(576,096)</b>
<b>Cash flows from Investing activities</b>					
Payments made for business acquisitions, net of cash acquired		(2,553,894)	-	-	-
Payments made to acquire fixed asset investments		-	-	(2,839,426)	-
Payments made to acquire fixed assets		(4,827,086)	(1,683,963)	(4,148,538)	(9,373)
<b>Net cash outflow from investing activities</b>		<b>(7,380,980)</b>	<b>(1,683,963)</b>	<b>(6,987,964)</b>	<b>(9,373)</b>
<b>Cash flows from financing activities</b>					
Interest paid		(60,607)	(92,402)	(28,934)	(63,594)
<b>Net cash inflow from financing activities</b>		<b>(60,607)</b>	<b>(92,402)</b>	<b>(28,934)</b>	<b>(63,594)</b>
<b>Net increase in cash and cash equivalents in the year</b>		<b>3,095,841</b>	<b>(362,450)</b>	<b>2,886,546</b>	<b>(649,063)</b>
Cash and cash equivalents at 1 September		9,472,635	9,835,085	6,696,120	7,345,183
<b>Cash and cash equivalents at 31 August</b>	13	<b>12,568,476</b>	<b>9,472,635</b>	<b>9,582,666</b>	<b>6,696,120</b>
<b>Reconciliation of Net Debt</b>					
		<b>1 September 2019 £</b>	<b>Cashflows £</b>	<b>Acquired £</b>	<b>31 August 2020 £</b>
<b>Group</b>					
Cash		9,472,635	2,853,847	241,994	12,568,476
<b>Company</b>					
Cash		6,696,120	2,886,546	-	9,582,666

There were no other elements of net debt other than cash in the year.

The notes on pages 22 to 40 form part of these financial statements.

**BIMM LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

Group	-----Attributable to the owners of BIMM Limited-----						Non-controlling interests	Total reserves
	Share capital	Revaluation reserve	Translation reserve	Retained earnings	Total			
	£	£	£	£	£	£		
<b>At 1 September 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>	
<b><i>Comprehensive income for the year</i></b>								
Surplus for the year	-	-	-	13,832,434	13,832,434	(73,279)	13,759,155	
Other comprehensive income for the year	-	-	(102,488)	-	(102,488)	-	(102,488)	
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(102,488)</b>	<b>13,832,434</b>	<b>13,729,946</b>	<b>(73,279)</b>	<b>13,656,667</b>	
<b>Balance at 31 August 2020</b>	<b>6</b>	<b>8,799,991</b>	<b>(47,961)</b>	<b>61,128,204</b>	<b>69,880,240</b>	<b>(313,087)</b>	<b>69,567,153</b>	

All reserves are unrestricted.

Group	-----Attributable to the owners of BIMM Limited-----						Non-controlling interests	Total reserves
	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 year</i></b>								
Surplus for the year	-	-	-	11,831,041	11,831,041	(86,082)	11,744,959	
Other comprehensive income for the year	-	-	3,734	-	3,734	-	3,734	
<b>Total comprehensive income for the year</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 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>	

All reserves are unrestricted.

The notes on pages 22 to 40 form part of these financial statements.

**BIMM LIMITED**  
**PARENT STATEMENT OF CHANGES IN RESERVES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

Company	Share capital	Revaluation reserve	Other reserve	Retained earnings	Total reserves
	£	£	£	£	£
<b>At 1 September 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>
<b><i>Comprehensive income for the year</i></b>					
Surplus for the year	-	-	-	16,738,604	16,738,604
Other comprehensive income for the year	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,738,604</b>	<b>16,738,604</b>
<b><i>Contributions by and distributions to owners</i></b>					
Capital contribution	-	-	(774,032)	-	(774,032)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(774,032)</b>	<b>-</b>	<b>(774,032)</b>
<b>Balance at 31 August 2020</b>	<b>6</b>	<b>8,799,991</b>	<b>(45,759,819)</b>	<b>45,589,189</b>	<b>8,629,367</b>

All reserves are unrestricted.

Company	Share capital	Revaluation reserve	Other reserve	Retained earnings	Total reserves
	£	£	£	£	£
<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>					
Surplus 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>

All reserves are unrestricted.

The notes on pages 22 to 40 form part of these financial statements.

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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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 higher and further education in contemporary music and creative arts.

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and with the Statement of Recommended Practice: Accounting for Further and Higher Education and the OfS's Accounts direction (issued October 2019). This is the first year of application of the OfS Accounts direction and the SORP, however there were no adjustments necessary on transition. 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).

There has been no receipt of endowments or otherwise restricted income. Accordingly none of the parent's or group's reserves are restricted.

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 2020 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 2020. There is no student union associated with the parent or group, and consequently there is no consideration of control or consolidation of a student union with the financial statements.

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 2020

---

#### 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 Income recognition

Student fee income represents amounts receivable for course fees and other income in the academic year falling within the period covered by these financial statements. Student fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income. 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. Income 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. Investment income and gains or losses on investments are recorded in income in the year in which they arise, and as either restricted or unrestricted income according to the terms or other restrictions applicable to the endowment. There are currently no restricted investments.

#### 1.4 Grant income

Revenue grants from government sources are recognised in accordance with the accrual model 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. The Office for Students (OfS) provides all the government grant income and there is no grant income other than from government sources. £229,878 of capital grants remained unspent at year end.

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 1.5 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.

#### 1.6 Investments

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

#### 1.7 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

#### 1.8 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.

#### 1.9 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.

#### 1.10 Going Concern

After reviewing the group and company's forecasts and considering their net current assets 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, being a period of at least 12 months from the date of these accounts. It is the group's expectation that it will continue to receive financial support from the ultimate parent company, BIMM Topco Limited.

The ultimate parent of the group, BIMM Topco Limited, continues to support the group. The directors, having considered COVID-19 as outlined in the directors' report, consider 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. In particular we do not consider that Covid-19 will materially affect income, profitability, or cash-flow. This is mainly due to the successful adaptation of our business model to on-line delivery, the adequate availability of banking facilities, and the continued honouring of payments by the Student Loans Company. Projections through to March 2022 do not indicate that any of these metrics will be materially affected by Covid-19. Management have also considered a number of downside scenarios around a significant decrease in new students. A very significant decrease could cause a breach in covenants. However, the current applications and acceptances are tracking in line with the business plan. The company therefore continues to adopt the going concern basis in preparing its financial statements.



# **BIMM LIMITED**

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

### **FOR THE YEAR ENDED 31 AUGUST 2020**

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#### **1.11 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 reserves is also recognized in other comprehensive income or directly in reserves 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.

#### **1.12 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.

#### **1.13 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.

#### **1.14 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.

#### **1.15 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.

#### **1.16 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.

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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### 1.17 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.

### 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 2020

#### 3 Income

The total income of the company and the group for the year has been derived from the following activities:

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Fee income from taught awards (net of VAT)	49,227,035	43,128,934	42,173,686	37,181,914
Grant income from the OfS	2,412,000	201,000	2,412,000	201,000
<b>Total grant and fee income</b>	<b>51,639,035</b>	<b>43,329,934</b>	<b>44,585,686</b>	<b>37,382,914</b>

OfS grant income supports areas where teaching costs are particularly high or are particular policy areas and government priorities. There are no unfulfilled conditions or contingencies relating to this income.

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

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
United Kingdom	47,440,955	38,529,982	44,585,686	37,382,914
Rest of Europe	4,198,080	4,799,952	-	-
	<b>51,639,035</b>	<b>43,329,934</b>	<b>44,585,686</b>	<b>37,382,914</b>

#### 4 Dividends

The directors of the company do not recommend a dividend in respect of the current year (2019: £nil).

#### 5 Surplus before tax

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Surplus before tax is stated after charging:				
Amortisation of intangible assets	2,093,291	1,911,086	1,430,372	1,364,287
Depreciation of tangible assets	2,524,031	2,498,345	299,860	134,258
Loss on disposal of tangible assets	-	-	-	70,802
Audit fees	-	-	-	-
Rent paid under operating leases	1,960,684	1,720,258	803,169	948,017

Audit fees are borne by another group company.

Included within expenditure in the financial year is spend on the Access and Participation Plan as follows:

<b>Access and Participation Plan spend</b>	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Access investment (excluding wages)	310,525	-	310,525	-
Access investment expenditure included in wages	250,310	-	250,310	-
Financial support provided to students in disadvantaged or under-represented groups	222,886	-	222,886	-
Support for disabled students (where not included above)	-	-	-	-
Research and evaluation related to access and participation	16,252	-	16,252	-
	<b>799,973</b>	<b>-</b>	<b>799,973</b>	<b>-</b>

There are no comparative numbers because the plan was not running in the prior year. The approved Access and Participation Plan can be found on the BIMM website - [https://www.bimm.ac.uk/wp-content/uploads/2020/08/bimm\\_access\\_and\\_participation\\_plan\\_19-20.pdf](https://www.bimm.ac.uk/wp-content/uploads/2020/08/bimm_access_and_participation_plan_19-20.pdf)

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 6 Directors and employees

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

	<b>Group 2020 Number</b>	<b>Group 2019 Number</b>	<b>Company 2020 Number</b>	<b>Company 2019 Number</b>
Administration	165	138	129	112
Building and facilities	63	56	58	53
Teaching	303	272	245	218
Management	20	20	18	18
Directors	1	1	-	-
	<b>552</b>	<b>487</b>	<b>450</b>	<b>401</b>

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
<b>Employment costs</b>				
Wages and salaries	11,746,416	8,802,649	9,541,187	6,853,982
Social security costs	1,100,788	827,450	873,952	622,903
Pension costs – defined contribution	259,621	169,243	227,087	149,146
	<b>13,106,825</b>	<b>9,799,342</b>	<b>10,642,226</b>	<b>7,626,031</b>

	<b>Group 2020</b>	<b>Group 2019</b>	<b>Company 2020</b>	<b>Company 2019</b>
<b>Number of staff with pay in excess of £100,000 in £5,000 bandings</b>				
£115,000 - £119,999	1	1	-	-

	<b>Group 2020</b>	<b>Group 2019</b>	<b>Company 2020</b>	<b>Company 2019</b>
<b>Severance pay – compensation for loss of office</b>				
Total paid (£)	67,542	45,105	67,542	45,105
Individuals in receipt (Number)	3	2	3	2

#### 7 Directors and key management remuneration

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Emoluments	129,166	115,264	-	-
Money purchase pension contributions	3,486	3,458	-	-

The number of directors for whom retirement benefits are accruing under defined contributions amounted to 1 (2019: 1). Remuneration in respect of the highest paid director amounted to emoluments of £129,166 (2019: £115,264) and money purchase pension contributions of £3,486 (2019: £3,458). There was no remuneration to key management in the year.

Other directors of the company, including the head of the institution, are paid by another group company.

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

8 Taxation	Group 2020	Group 2019	Company 2020	Company 2019
	£	£	£	£
<b>Domestic current year tax</b>				
U.K. corporation tax	481,829	103,429	430,194	103,429
Transfers in	-	-	108,097	-
Adjustments in respect of previous periods	(18,032)	723	(18,032)	-
Overseas tax suffered	151,202	147,225	-	-
<b>Total current tax charge/(credit)</b>	<b>614,999</b>	<b>251,377</b>	<b>520,259</b>	<b>103,429</b>
<b>Deferred tax</b>				
Origination and reversal of timing differences	(28,633)	(43,440)	26,532	15,336
Adjustments in respect of previous periods	160,529	449,749	(363)	420,983
Effect of tax rate change on opening balance	24,252	-	4,398	-
Total deferred tax charge	<b>156,148</b>	<b>406,309</b>	<b>30,567</b>	<b>436,319</b>
Total tax charge/(credit)	<b>771,147</b>	<b>657,686</b>	<b>550,826</b>	<b>539,748</b>
<b>Factors affecting the tax charge for the year</b>				
Surplus on ordinary activities before taxation	14,530,302	12,402,645	17,289,430	14,783,456
Surplus on ordinary activities before taxation multiplied by standard UK corporation tax rate of 19% (2019: 19%)	2,760,757	2,356,503	3,284,992	2,808,857
Effects of:				
Fixed asset differences	394,547	328,426	293,777	270,443
Expenses not deductible for tax purposes	268,437	104,786	81,123	743
Group relief claimed	(2,783,102)	(2,476,989)	(3,203,164)	(2,948,099)
Other permanent differences	-	(11,228)	-	(11,228)
Difference from foreign tax rates	(58,835)	(99,247)	-	-
Adjustments in respect of previous periods	162,494	450,168	(18,395)	420,678
Deferred tax not recognised	2,599	-	-	-
Transfers in	-	-	108,097	-
Difference in opening and closing deferred tax rates	24,250	5,267	4,396	(1,646)
<b>Current tax charge/(credit) for the year</b>	<b>771,147</b>	<b>657,686</b>	<b>550,826</b>	<b>539,748</b>

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

### 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 2019	23,556,112	13,642,871
Arising on consolidation (see note 21)	2,300,055	-
Transferred from Company Investments (see note 10)	-	1,132,883
At 31 August 2020	<u>25,856,167</u>	<u>14,775,754</u>
<b>Amortisation</b>		
At 1 September 2019	13,203,422	3,842,434
Charge for the year	<u>2,093,291</u>	<u>1,430,372</u>
At 31st August 2020	<u>15,296,713</u>	<u>5,272,806</u>
<b>Net book value</b>		
At 31 August 2020	<u>10,559,454</u>	<u>9,502,948</u>
At 31 August 2019	<u>10,352,690</u>	<u>9,800,437</u>

The directors considered the carrying value of goodwill at 31 August 2020 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>
31 August 2019	16,751,101
New subsidiary incorporated: Performers Management Agency Limited	1
Additions of 100% share capital acquired in:	
Performers College Limited	2,395,888
Leagh-Hicks Associates Limited	43,537
Northern Ballet School Limited, The Dancehouse Property Management Limited, and The Dancehouse Theatre Company Limited	400,000
Transfer to Goodwill	<u>(1,132,883)</u>
	<u>18,457,644</u>

During the year, and subsequent to purchase, Performers College Limited sold its trade and assets to BIMM Limited. This led to a transfer to goodwill of £1,132,883 to bring the carrying value of the investment to its recoverable value based on the remaining net assets of the subsidiary.

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

### 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
Performers College Limited	England and Wales	Ordinary	100.00
Leagh-Hicks Associates Limited	England and Wales	Ordinary	100.00
Performers Management Agency Limited	England and Wales	Ordinary	100.00
The Dancehouse Property Management Ltd	England and Wales	Ordinary	100.00
Northern Ballet School Limited	England and Wales	Limited by Guarantee	
The Dancehouse Theatre Company Limited	England and Wales	Limited by Guarantee	

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 2020	Profit/(loss) for the year 2020
Rock Place Management Limited	Provision of music education	34,304,069	-
No.7 Limited	Property management & publishing	9,379,723	(2,933,170)
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	5,533,019	773,965
BRICTT Limited	Provision of performing arts education	(1,503,882)	(293,177)
BIMM Education Limited	Dormant	1	-
Performers College Limited	Provision of theatrical education	1,263,005	(388,769)
Leagh-Hicks Associates Limited	Artist management	33,129	(1,672)
Performers Management Agency Limited	Artist management	(213)	(13,588)
The Dancehouse Property Management Ltd	Property management	144,115	16,929
Northern Ballet School Limited	Provision of dance education	263,122	(186,107)
The Dancehouse Theatre Company Limited	Provision of staged events	(316,404)	(23,263)

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

### 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>					
1 September 2019	6,813,563	18,987,544	226,715	6,139,593	32,167,415
Forex	-	(32,282)	(2,403)	(8,034)	(42,719)
Additions	3,394,217	811,420	-	621,449	4,827,086
Acquired in a business combination	153,805	44,112	1,662	138,034	337,613
At 31 August 2020	10,361,585	19,810,794	225,974	6,891,042	37,289,395
<b>Depreciation</b>					
1 September 2019	1,340,025	5,209,847	226,489	3,869,424	10,645,785
Forex	-	(15,847)	(2,403)	(6,759)	(25,009)
Charge for the year	170,989	1,337,035	227	1,015,780	2,524,031
At 31st August 2020	1,511,014	6,531,035	224,313	4,878,445	13,144,807
<b>Net book value</b>					
At 31 August 2020	8,850,571	13,279,759	1,661	2,012,597	24,144,588
At 31 August 2019	5,473,538	13,777,697	226	2,270,169	21,521,630
Company	Land and Buildings Freehold £	Land and Buildings Leasehold £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
<b>Cost or valuation</b>					
1 September 2019	-	2,147,152	21,391	8,979	2,177,522
Additions	3,530,998	17,775	-	599,765	4,148,538
Disposals	-	-	-	-	-
At 31 August 2020	3,530,998	2,164,927	21,391	608,744	6,326,060
<b>Depreciation</b>					
1 September 2019	-	309,900	21,164	1,456	332,520
Charge for the year	59,167	147,259	227	93,207	299,860
At 31 August 2020	59,167	457,159	21,391	94,663	632,380
<b>Net book value</b>					
At 31 August 2020	3,471,831	1,707,768	-	514,081	5,693,680
At 31 August 2019	-	1,837,252	227	7,523	1,845,002

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 2020

12 Debtors: amounts falling due within one year	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade Debtors	1,068,913	313,438	946,120	256,783
Amounts owed by group undertakings	49,670,729	36,957,270	63,234,052	54,417,724
Prepayments and accrued income	1,077,685	852,209	687,722	428,813
Other debtors	636,217	632,632	299,733	360,217
	52,453,544	38,755,549	65,167,627	55,463,537

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 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	12,568,476	9,472,635	9,582,666	6,696,120

14 Creditors: amounts falling due within one year	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	1,292,751	1,568,134	680,325	817,637
Amounts owed to group undertakings	18,519,199	15,368,555	90,008,665	90,228,116
Taxation and social security	316,448	172,880	215,923	145,360
Other creditors	3,389,005	1,750,621	3,395,154	1,716,534
Accruals and deferred income	6,139,206	5,192,615	5,094,660	4,842,584
	29,656,609	24,052,805	99,394,727	97,750,231

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 2020 the group held no derivative financial instruments (2019: NIL) or financial liabilities held at fair value through profit and loss (2019: 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 2020

#### 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 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade receivables	Loans and receivables	1,068,913	313,438	946,120	256,783
Other receivables	Loans and receivables	636,217	632,632	299,733	360,217
Cash	Cash and cash equivalents	12,568,476	9,472,635	9,582,666	6,696,120
<b>Total financial assets</b>		<b>14,273,606</b>	<b>10,418,705</b>	<b>10,828,519</b>	<b>7,313,120</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 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade payables	Financial liabilities measured at amortised cost	1,292,751	1,568,134	680,325	817,637
Other payables	Financial liabilities measured at amortised cost	3,389,005	1,750,621	3,395,154	1,716,534
<b>Total financial liabilities</b>		<b>4,681,756</b>	<b>3,318,755</b>	<b>4,075,479</b>	<b>2,534,171</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 2020

### 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 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade receivables	2,082,336	1,282,559	1,908,768	1,193,780
Provision for bad debt	(1,013,423)	(969,121)	(962,648)	(936,997)
Net trade receivable	<b>1,068,913</b>	<b>313,438</b>	<b>946,120</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 2020 £	Gross Group 2019 £	Gross Company 2020 £	Gross Company 2019 £
Not past due	-	-	-	-
Past due 0 – 30 days	-	-	-	-
Past due 31 – 90 days	-	-	-	-
Past due 90+ days	2,082,336	1,282,559	1,908,768	1,193,780
	<b>2,082,336</b>	<b>1,282,559</b>	<b>1,908,768</b>	<b>1,193,780</b>

Group trade receivables of £1,013,423 were considered to be impaired as at 31 August 2020 (2019: £969,121). Company trade receivables of £962,648 were considered to be impaired as at 31 August 2020 (2019: £936,997).

### 15 (c) Liquidity risk

		2020				
	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	4,681,756	4,681,756	4,681,756	-	-	-
Company trade and other payables	4,075,479	4,075,479	4,075,479	-	-	-
		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	-	-	-

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2020

#### 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:

		<b>2020</b>	<b>2019</b>
Currency	<b>Euro</b>		
		<b>£</b>	<b>£</b>
Cash and cash equivalents		2,235,468	2,712,977
Trade and other receivables		84,012	27,265
Trade and other payables		(20,963)	(56,725)
Net exposure		<b>2,298,517</b>	<b>2,683,517</b>

##### **Sensitivity analysis**

A 10 per cent strengthening of the following currencies against the GBP Sterling respectively at 31 August 2020 and 31 August 2019 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.

	<b>Reserves</b>	<b>Profit or loss</b>	<b>Reserves</b>	<b>Profit or loss</b>
	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Euro denominated	<b>553,302</b>	<b>77,397</b>	<b>477,905</b>	<b>104,038</b>

A 10 per cent weakening of the above currencies against the GBP Sterling respectively at 31 August 2020 and 31 August 2019 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 2020

16 Deferred tax	Group 2020	Group 2019	Company 2020	Company 2019
	£	£	£	£
<b>The deferred tax is made up as follows:</b>				
Balance at 1 September	-	398,577	-	398,577
Recognised in Statement of Comprehensive Income	-	(398,577)	-	(398,577)
Balance at 31 August	-	-	-	-

### 17 Provision for liabilities

Provision is made for deferred tax liabilities as follows:

	Group 2020	Group 2019	Company 2020	Company 2019
	£	£	£	£
Balance at 1 September	(45,609)	(37,877)	(37,742)	-
Recognised in Statement of Comprehensive Income	(156,148)	(7,732)	(30,567)	(37,742)
Balance at 31 August	(201,757)	(45,609)	(68,309)	(37,742)

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

### 18 Group and parent share capital

	2020 No.	2020 £	2019 No.	2019 £
Authorised, allotted and fully paid:				
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. On 31 January 2020 the trade and assets of Performers College were hived up into BIMM Limited. This has resulted in the creation of a non-distributable reserve of £(45,759,819).

### 19 Commitments under operating leases

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

Group	Land & buildings		Other	
	2020	2019	2020	2019
	£	£	£	£
Within one year	1,960,618	1,650,240	82,017	65,150
Between 2-5 years	7,824,623	6,315,557	176,727	78,202
More than 5 years	10,580,354	11,286,498	-	-
	20,365,595	19,252,295	258,744	143,352

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Commitments under operating leases (continued)

Company	Land & buildings		Other	
	2020	2019	2020	2019
	£	£	£	£
Within one year	727,000	875,000	82,017	65,150
Between 2-5 years	2,908,000	3,500,000	176,727	78,202
More than 5 years	4,749,750	7,474,750	-	-
	8,384,750	11,849,750	258,744	143,352

### 20 Related party transactions

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

	2020	2020	2019	2019
	£	£	£	£
	Debtor	Creditor	Debtor	Creditor
BIMM Group Limited	47,965,147	-	36,339,139	-
BIMM Holdings Limited	-	2,833,148	-	2,833,148
BIMM 1 Limited	-	15,686,051	-	12,535,407
BIMM Topco Limited	1,705,582	-	618,131	-
	49,670,729	18,519,199	36,957,270	15,368,555

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

	2020	2020	2019	2019
	£	£	£	£
	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
Performers College Limited	-	1,263,005	-	-
Performers Management Agency Ltd	70,243	-	-	-
No.7 Limited	-	9,559,253	-	11,041,709
South Coast Sounds Limited	-	50,000	-	50,000
BIMM Dublin Limited	606,053	-	594,834	-
BRICTT Limited	1,421,477	-	1,273,719	-
BIMM Group Limited	41,342,554	-	31,092,250	-
BIMM Holdings Limited	-	15,672,832	-	15,672,832
BIMM 1 Limited	17,418,148	-	20,168,794	-
BIMM Topco Limited	2,375,577	-	1,288,127	-
	63,234,052	90,008,665	54,417,724	90,228,116

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

### 20 Related party transactions (continued)

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

	2020	2019
	£	£
<b>BRICTT Limited:</b>		
Interest charges accrued on intercompany balances	210,798	149,413
<b>No.7 Limited:</b>		
Rent and facility fee charges	939,062	991,630

### 21 Business combinations

On 8 November 2019 the Company acquired 100% of the share capital of Performers College Limited, and thus the Group acquired Performers College Limited along with its subsidiary Leagh-Hicks Associates Limited. The acquisitions support the Board's strategy to further diversify BIMM's curriculum areas.

Details of consideration paid, net assets at acquisition, intangibles identified, and goodwill created are as follows:

	£	Fair value £
Consideration paid		2,395,888
Property, Plant, and equipment	238,890	
Current assets	610,335	
Cash	104,251	
Current liabilities	(706,211)	
Net assets acquired	<u>                    </u>	(247,265)
Goodwill arising on acquisition		<u><u>2,148,623</u></u>

The acquisition of Performers College Limited contributed revenue of £2,444,847 and a net loss of £404,029 including a tax charge of £18,169 to the consolidated BIMM Limited Group result for the year.

On 31 January 2020 the Company acquired 100% of the share capital of Leagh-Hicks Associates from Performers College Limited for consideration of £43,539. Also on 31 January 2020 the Company acquired the trade and assets of Performers College Limited for total consideration of £1,263,005.

# BIMM LIMITED

## NOTES TO THE CONSOLIDATED AND PARENT FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2020

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#### 21 Business combinations (continued)

On 15 June 2020 the Group acquired Northern Ballet School Limited, The Dancehouse Property Management Limited, and The Dancehouse Theatre Company Limited. The acquisitions support the Board's strategy to further diversify BIMM's curriculum areas.

Details of consideration paid, net assets at acquisition and goodwill created are as follows:

	<b>Note</b>	<b>£</b>	<b>Fair value £</b>
Consideration paid			400,000
Property, Plant, and equipment		98,723	
Current assets		57,429	
Cash		137,743	
Current liabilities		<u>(45,327)</u>	
Net assets acquired			(248,568)
Goodwill arising on acquisition	8		<u>151,432</u>

The acquisition of Northern Ballet School Limited, The Dancehouse Property Management Limited, and The Dancehouse Theatre Company Limited contributed revenue of £125,646 and a net loss of £193,141 including a tax charge of £42,044 to the consolidated BIMM Limited Group result for the year.

#### 22 Capital Commitments

The group and company have no outstanding capital commitments at 31 August 2020 (31 August 2019: Nil).

#### 23 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. See note 24 for changes since the year end.

#### 24 Post balance sheet events

On 20 November 2020 the ownership of the BIMM Group passed from Sovereign Capital IV Limited Partnership to Intermediate Capital Group PLC. This was effected by the purchase of 100% of the equity of BIMM Topco Limited by Murphy Bidco Limited whose ultimate parent company is Murphy Topco Limited, in turn whose majority shareholder is a wholly owned subsidiary of Intermediate Capital Group PLC.

Thus Murphy Topco Limited became the ultimate parent company of the BIMM group, and the majority shareholder of the BIMM Group became Murphy VII Investment S.à r.l, a company incorporated in Luxembourg and a wholly owned subsidiary of Intermediate Capital Group PLC.

As part of the change of control, the banking arrangements were refreshed providing a total £90,000,000 of available capital to continue the investment in the Group's activities. The company also purchased the remaining 25% equity of BRICTT Limited, and thus BRICTT Limited became a wholly owned subsidiary of the company.

On 18 January 2021 the trade and assets of Brighton Film School Limited, a related party by common directorship, were purchased by BIMM Limited, a subsidiary of the group, for consideration of £533,733 being the market value of the assets at that date.