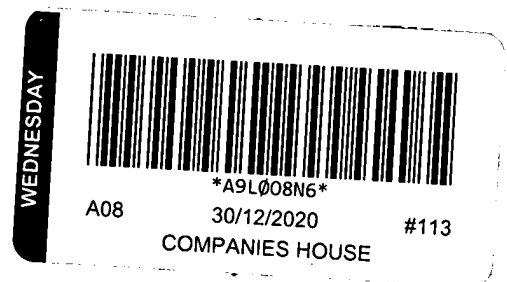


SAINT MICHAEL'S COLLEGE (TENBURY) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



SAINT MICHAEL'S COLLEGE (TENBURY) LIMITED
REGISTERED NUMBER:02608682

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	4	-	2,343,048
		<u>-</u>	<u>2,343,048</u>
CURRENT ASSETS			
Tangible assets		245,699	-
Stocks		15,000	32,319
Debtors: amounts falling due within one year	5	524,957	507,429
Cash at bank and in hand		631,535	322,742
		<u>1,417,191</u>	<u>862,490</u>
Creditors: amounts falling due within one year	6	(4,176,186)	(3,196,025)
NET CURRENT LIABILITIES		<u>(2,758,995)</u>	<u>(2,333,535)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(2,758,995)</u>	<u>9,513</u>
Creditors: amounts falling due after more than one year	7	-	(68,778)
PROVISIONS FOR LIABILITIES			
Deferred tax	9	-	(34,349)
Other provisions		(95,040)	-
		<u>(95,040)</u>	<u>(34,349)</u>
NET LIABILITIES		<u>(2,854,035)</u>	<u>(93,614)</u>
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Profit and loss account		(2,854,037)	(93,616)
		<u>(2,854,035)</u>	<u>(93,614)</u>

SAINT MICHAEL'S COLLEGE (TENBURY) LIMITED
REGISTERED NUMBER:02608682

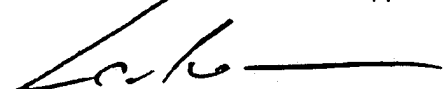
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



M J Ledermann
Director

Date: 18th December 2020

The notes on pages 3 to 12 form part of these financial statements.

SAINT MICHAEL'S COLLEGE (TENBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. GENERAL INFORMATION

Saint Michael's College (Tenbury) Limited is a private limited company, limited by shares, incorporated in England and Wales. The address of the registered office and trading address is given in the company information page on page 1 of these financial statements.

The principal activity of the company is the provision of private education.

The financial statements are rounded to the nearest GBP.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

As at 31 August 2019 the company showed a net deficiency in shareholders' funds. The director and parent company have carried out a strategic review of the business and the decision has been made to cease trading.

The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. Provision has also been made for any contractual commitments that have become onerous at the balance sheet date. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date.

2.2 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES (continued)

2.3 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 INTEREST INCOME

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.5 FINANCE COSTS

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES (continued)

2.7 CURRENT AND DEFERRED TAXATION

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.9 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. ACCOUNTING POLICIES (continued)

2.9 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Short-term leasehold property	- Over the term of the lease
Plant and machinery	- 25% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance
Computer equipment	- 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

As the financial statements have been prepared on a basis other than going concern, the fixed assets have been impaired to their realisable value at the year end date. In addition the remaining net book value of the fixed assets has been reclassified as being held for sale within current assets at the year end date.

2.10 IMPAIRMENT OF FIXED ASSETS AND GOODWILL

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.11 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 DEBTORS

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES (continued)

2.13 CASH AND CASH EQUIVALENTS

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

2.14 CREDITORS

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

2.15 PROVISIONS FOR LIABILITIES

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

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.16 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 112 (2018: 108).

SAINT MICHAEL'S COLLEGE (TENBURY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
At 1 September 2018	4,048,342	191,586	54,131	688,832	282,438	5,265,329
Additions	7,470	17,030	-	24,704	-	49,204
Reclassified to held for sale	(4,055,812)	(208,616)	(54,131)	(713,536)	(282,438)	(5,314,533)
At 31 August 2019	-	-	-	-	-	-
At 1 September 2018	1,998,771	149,492	26,084	576,091	171,843	2,922,281
Charge for the year on owned assets	119,201	13,447	-	24,810	27,264	184,722
Charge for the year on financed assets	-	-	7,012	-	-	7,012
Reclassified to held for sale	(3,943,693)	(184,548)	(39,873)	(676,277)	(224,443)	(5,068,834)
Impairment charge	1,825,721	21,609	6,777	75,376	25,336	1,954,819
At 31 August 2019	-	-	-	-	-	-
NET BOOK VALUE						
At 31 August 2019	-	-	-	-	-	-
At 31 August 2018	2,049,571	42,094	28,047	112,741	110,595	2,343,048

As the financial statements have been prepared on a basis other than going concern, the fixed assets have been impaired to a level equivalent to the amount of depreciation charged on the assets up to the date of the cessation of trade on 30 June 2020. In addition the remaining net book value of the fixed assets has been reclassified within current assets at the year end date as the assets will be fully depreciated in the following accounting period.

5. DEBTORS

	2019 £	2018 £
Trade debtors	380,345	383,700
Other debtors	5,694	20,662
Prepayments and accrued income	138,918	103,067
	<u>524,957</u>	<u>507,429</u>

SAINT MICHAEL'S COLLEGE (TENBURY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	114,247	164,481
Amounts owed to group undertakings	-	103,217
Amounts owed to associates	2,336,944	1,560,168
Other taxation and social security	39,516	34,123
Obligations under finance lease and hire purchase contracts	-	7,416
Other creditors	278,790	205,334
Accruals and deferred income	1,406,689	1,121,286
	<u>4,176,186</u>	<u>3,196,025</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	-	17,668
Amounts owed to group undertakings	-	51,110
	<u>-</u>	<u>68,778</u>

8. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	-	7,416
Between 1-5 years	-	17,668
	<u>-</u>	<u>25,084</u>

9. DEFERRED TAXATION

	2019 £	2018 £
At beginning of year	(34,349)	(14,268)
Credited to profit or loss	34,349	(20,081)
AT END OF YEAR	<u>-</u>	<u>(34,349)</u>

SAINT MICHAEL'S COLLEGE (TENBURY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. DEFERRED TAXATION (CONTINUED)

The deferred taxation balance is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	-	(34,349)
	<u>-</u>	<u>(34,349)</u>

10. PROVISIONS

	Onerous lease provision £
Charged to profit or loss	95,040
AT 31 AUGUST 2019	<u>95,040</u>

As the financial statements have been prepared on a basis other than going concern provision has been made for contractual commitments that have become onerous at the year end.

11. SHARE CAPITAL

	2019 £	2018 £
ALLOTTED, CALLED UP AND FULLY PAID		
2 (2018: 2) Ordinary shares of £1.00 each	<u>2</u>	<u>2</u>

12. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund amounted to £16,378 (2018: £13,364). Contributions totalling £2,564 (2018: £2,082) were payable to the fund at the reporting date and are included in other creditors.

SAINT MICHAEL'S COLLEGE (TENBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

13. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2019 the Company had future minimum lease payments under operating leases as follows:

	2019 £	2018 £
Not later than 1 year	171,619	172,049
Later than 1 year and not later than 5 years	613,590	641,210
Later than 5 years	2,448,000	2,592,000
	<u>3,233,209</u>	<u>3,405,259</u>

Subsequent to the year end and following the decision to cease trading on 30 June 2020, the company has been released of the above lease obligations.

14. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under section 33.1A of FRS102, and has not disclosed transactions entered into between wholly owned group companies.

The following transactions took place with Companies in which the Directors have other business interests in during the year:

	2019 £	2018 £
Sales to connected entities or related parties	-	144,810
Purchases from related parties	28,993	2,834
Amounts owed to related parties	<u>2,343,781</u>	<u>1,560,168</u>

15. CONTROLLING PARTY

The Company was a 100% owned subsidiary company of Chopping Hart & Biddlecomb Limited, a company incorporated in Jersey. The ultimate controlling party was Sir Roger Fry, by virtue of his shareholding in Chopping Hart & Biddlecomb Limited. The ultimate controlling party is now Inspired Finco Holdings Limited, as of 8 November 2019.

16. POST BALANCE SHEET EVENTS

On 8 November 2019 the entire share capital of the company was acquired by Reddam House Berkshre Limited. The ultimate parent undertaking of the group is Inspired Education Holdings Limited.

Subsequent to the year end the directors and parent company decided to cease trading on 30 June 2020 and therefore the financial statements have been prepared on a basis other than going concern.

SAINT MICHAEL'S COLLEGE (TENBURY) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

17. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 31 August 2019 was unqualified.

In their report, the auditors emphasised the following matter without qualifying their report:

We draw attention to the Directors' report and the disclosures made in note 2.1 to the financial statements explained in Note 2.1, the company ceased trading on 30 June 2020. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. Provision has also been made for any contractual commitments that have become onerous at the year end. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date. Our opinion is not modified in respect of this matter.

The audit report was signed on 18 December 2020 by David Butler FCA (Senior Statutory Auditor) on behalf of Bishop Fleming LLP.