

**REGISTERED NUMBER: 03476432**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017  
FOR  
KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**

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**KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**

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FOR THE YEAR ENDED 31 OCTOBER 2017**

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**KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 OCTOBER 2017**

<b>DIRECTORS:</b>	J D Bentley C McLean
<b>REGISTERED OFFICE:</b>	Kingswood House Alkmaar Way Norwich Norfolk NR6 6BF
<b>REGISTERED NUMBER:</b>	03476432 (England and Wales)
<b>INDEPENDENT AUDITOR'S:</b>	KPMG LLP Chartered Accountants & Statutory Auditors 1 Forest Gate Brighton Road Crawley RH11 9PT
<b>BANKER:</b>	National Westminster Bank plc 135 Bishopsgate London EC2M 3UR
<b>SOLICITOR:</b>	Travers Smith 10 Snow Hill London EC1A 2AL

**KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**  
**STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2017**

The directors present their strategic report for Kingswood Learning and Leisure group limited ('the company') for the year ended 31 October 2017.

**RESULTS AND DIVIDENDS**

The profit for the financial year amounted to £23,000 after exceptional costs of £423,000 (2016: loss £2,451,000 after exceptional costs of £8,258,000 and dividend income of £2,198,000). The directors have not recommended the payment of a dividend (2016: £6,394,000).

**BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

The principal activity of the company is the provision of inspiring learning experiences for young people including educational school visits and adventure breaks. The directors do not anticipate any material changes in the company's activities in the ensuing year.

On 27 October 2016, the parent company of Kingswood Learning and Leisure Group Limited, Inspiring Learning (Holdings) Limited, was acquired by Graduation Topco Limited, a company controlled by certain limited partnerships managed by Bridgepoint Advisers II Limited..

With the significant new investment put in by the new shareholders and a more focused organisational structure, our strategic goals for the Kingswood business include expanding existing sites where we have latent excess demand, investigating potential new sites in the UK and overseas as well as exploring opportunities for inorganic expansion where there is a compelling strategic rationale for doing so.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the company's strategy are subject to a number of risks, the key ones being set out below:

- Customer demand and market competition - the business engages in regular communication with its customers to establish trends and ensure maximum customer satisfaction. Market competitors are recognised and monitored.
- Major disaster - as with any business in this sector the company is exposed to external events such as fire, natural disaster or infectious disease. A disaster recovery plan is in place and commercial insurances exist for any significant business interruption or loss/damage.
- Reputational risk - the business has a robust safeguarding and health and safety policy which is reviewed on a regular basis to ensure it is fit for purpose. The group also employs a PR agency to manage image and brand awareness within the industry.
- Adequate financing and funding risk - the business is in regular communication with all shareholders and lenders to assess future funding requirements. The business monitors cash flow and forward looking forecasts to ensure a clear view of the coming events.

**KEY PERFORMANCE INDICATORS**

The directors of Inspiring Learning (Holdings) Limited manage the group's operations on a group wide basis. The group consists of all companies held directly or indirectly by Inspiring Learning (Holdings) Limited. For this reason, the company's directors believe that disclosure of the principal risks and uncertainties of the company and analysis using key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business of Kingswood Learning and Leisure Group Limited. The development, performance and position of Inspiring Learning (Holdings) Limited group, which includes this company, is discussed in the annual report of Inspiring Learning (Holdings) Limited which does not form part of this report.

**ON BEHALF OF THE BOARD:**



C McLean - Director  
26 February 2018

## **KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2017**

The directors present their report and the audited financial statements for Kingswood Learning and Leisure group limited ('the company') for the year ended 31 October 2017.

#### **GOING CONCERN**

The directors have received confirmation from Graduation Topco Limited, the ultimate parent undertaking, that it will provide financial support to Kingswood Learning and Leisure Group Limited, in order for it to meet its commitments as they fall due for a period of at least 12 months from the date of approval of these financial statements. The directors have, accordingly, prepared the financial statements on a going concern basis.

#### **FINANCIAL RISK MANAGEMENT**

The company's operations expose it to a variety of financial risks that include foreign exchange risk, liquidity risk and credit risk. Given the size of the company the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

##### **Liquidity risk**

The company has cash at bank and access to funding from other group companies such as to ensure it is able to settle its debts as they fall due.

##### **Credit risk**

The business's principal financial assets are cash and trade debtors, with the main risk arising from its trade debtors. In order to manage the credit risk the company generally requires stage payments leading up to the date of the activity break such that the full balance is paid before this date.

##### **Foreign exchange risk**

The business has some exposure to translation and transaction foreign exchange risk through its overseas activities. The business enters into forward foreign exchange contracts to manage the potential risks associated with exchange rate volatility.

#### **DIRECTORS**

The directors, who held office throughout the year and up to the date of signing the financial statements, were as follows:

J D Bentley

C McLean (appointed 10<sup>th</sup> April 2017)

N Goodwin (resigned 26<sup>th</sup> April 2017)

#### **DIRECTORS' AND OFFICERS' INDEMNITY INSURANCE**

The company maintains liability insurance which was in force throughout the financial year and at the date of approval of the financial statements for its directors and officers, with a cover limit for each claim or series of claims against them in that capacity. The directors have also been granted a qualifying third party provision under section 234 of the Companies Act 2006. Neither the company's indemnity nor insurance provides cover in the event that a director is proved to have acted fraudulently or dishonestly.

#### **EMPLOYMENT OF DISABLED PERSONS**

Applications for employment by disabled persons are given full and fair consideration for all vacancies, having regard to their particular aptitudes and abilities. Should a person become disabled while in the company's employment, every effort is made to retain them in employment, giving alternative training as necessary.

#### **EMPLOYEE INFORMATION**

We fully realise that our employees wish to be informed and consulted on matters affecting their work and to be involved in problem-solving affecting their own areas of interest and responsibility. The company is firmly committed to a policy of good communication at all levels and we aim to establish a climate which constantly encourages the open flow of information and ideas. Presently this includes monthly team briefings at a local level and the publication of monthly key performance indicators covering output, operating costs and health and safety.

**KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED  
31 OCTOBER 2017 (CONTINUED)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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 prepared 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 (FRS 102).

Under company law the directors must not approve the financial statements unless they are 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 judgements and accounting estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**POLITICAL CONTRIBUTIONS**

The company made no political donations or incurred any political expenditure during the year.

**STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

So far as each of the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and each has taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**INDEPENDENT AUDITORS**

During 2017, KPMG LLP was appointed as auditor to the company and in accordance with section 487 of the Companies Act 2006, the auditor will be deemed reappointed and KPMG LLP will therefore continue in office.

**ON BEHALF OF THE BOARD:**



C McLean - Director  
26 February 2018

**KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGSWOOD LEARNING  
AND LEISURE GROUP LIMITED**

**Opinion**

We have audited the financial statements of Kingswood Learning and Leisure Group Limited ("the company") for the year ended 31 October 2017 which comprise the Profit and Loss Account, Balance Sheet and Statement of Changes in Equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

**Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGSWOOD LEARNING  
AND LEISURE GROUP LIMITED (CONTINUED)**

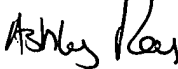
**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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

  
**Ashley Rees (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
1 Forest Gate  
Brighton Road  
Crawley  
RH11 9PT

26 February 2018



**KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2017**

		2017	2016
	Note	£'000	£'000
<b>TURNOVER</b>	5	24,139	22,973
Cost of sales		(10,176)	(9,004)
<b>GROSS PROFIT</b>		13,963	13,969
Exceptional Costs	6	(423)	(8,258)
Administrative expenses		(14,630)	(10,857)
Total administrative expenses		(15,053)	(19,115)
Other operating income		1,154	577
<b>OPERATING PROFIT /(LOSS)</b>	6	64	(4,569)
Interest payable and similar expenses	8	(41)	(80)
Dividends received from subsidiary undertakings		-	2,198
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		23	(2,451)
Tax on profit	9	-	-
<b>PROFIT/ (LOSS) FOR THE YEAR</b>		23	(2,451)

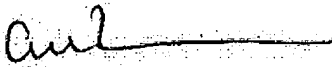
The notes on pages 10 to 19 form an integral part of these financial statements

There is no other comprehensive income for the year ended 31 October 2017 (2016: none).

**KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**  
**BALANCE SHEET AS AT 31 OCTOBER 2017**

	Note	2017 £'000	2016 £'000
<b>FIXED ASSETS</b>			
Intangible assets	10	440	411
Tangible assets	11	35,701	33,874
Investments	12	61	61
		<b>36,202</b>	<b>34,346</b>
<b>CURRENT ASSETS</b>			
Inventories	13	168	129
Debtors: amounts falling due within one year	14	28,400	29,726
Cash at bank and in hand		75	3,477
		<b>28,643</b>	<b>33,332</b>
<b>CREDITORS:</b>			
Amounts falling due within one year	15	(16,564)	(19,358)
<b>NET CURRENT LIABILITIES</b>		<b>12,079</b>	<b>13,974</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>48,281</b>	<b>48,320</b>
<b>CREDITORS:</b>			
Amounts falling due after one year	16	(24,996)	(24,998)
Provision for liabilities	18	(419)	(479)
<b>NET ASSETS</b>		<b>22,866</b>	<b>22,843</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	22	-	-
Revaluation reserve		11,211	11,211
Retained earnings		11,655	11,632
<b>TOTAL EQUITY</b>		<b>22,866</b>	<b>22,843</b>

The financial statements on pages 7 to 19 were approved by the Board of Directors on 26 February 2018 and were signed on its behalf by:

  
 C McLean  
 Director

Registered number: 03476432

The notes on pages 10 to 19 form an integral part of these financial statements.

**KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 OCTOBER 2017**

	<b>Revaluation reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1 November 2015</b>	<b>11,211</b>	<b>20,477</b>	<b>31,688</b>
Loss for the financial year	-	(2,451)	(2,451)
Dividend Paid	-	(6,394)	(6,394)
<b>At 31 October 2016</b>	<b>11,211</b>	<b>11,632</b>	<b>22,843</b>
Profit for the year	-	23	23
<b>At 31 October 2017</b>	<b>11,211</b>	<b>11,655</b>	<b>22,866</b>

The notes on pages 10 to 19 form an integral part of these financial statements.

## KINGSWOOD LEARNING AND LEISURE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017

#### 1. COMPANY INFORMATION

Kingswood Learning and Leisure Group Limited is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the company's principal activities are set out in the strategic report on page 2.

#### 2. STATEMENT OF COMPLIANCE

The individual financial statements of Kingswood Learning and Leisure Group Limited have been prepared in compliance 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 the Companies Act 2006.

#### 3. ACCOUNTING POLICIES

The principal accounting policies applied to the preparation of these financial statements are set out below. These policies have been consistently applied to all of the years shown unless otherwise stated.

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The functional currency of Kingswood Learning and Leisure Group Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

##### **Going concern**

The directors have received confirmation from Graduation Topco Limited, the ultimate parent undertaking, that it will provide financial support to Kingswood Learning and Leisure Group Limited, in order for it to meet its commitments as they fall due for a period of at least 12 months from the date of approval of these financial statements. The directors have, accordingly, prepared the financial statements on a going concern basis.

##### **Exemptions for qualifying entities under FRS 102**

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

(i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and its intermediate parent undertaking, Inspiring Learning (Holdings) Limited, includes the Company's cash flows in its own consolidated statement;

(ii) from disclosing transactions with other group companies that are wholly owned within the Group, as per FRS 102 paragraph 33.1;

(iii) from certain financial instrument disclosures required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, on the basis that equivalent disclosures are included in the consolidated financial statement disclosures of the group in which the entity is consolidated;

(iv) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

##### **Consolidated financial statements**

The Company is exempt from preparing consolidated financial statements under section 400 of the Companies Act 2006 on the grounds that its results and those of its subsidiaries are included in the financial statements of its intermediate parent undertaking Inspiring Learning (Holdings) Limited, a company incorporated in England and Wales. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

**KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017 (CONTINUED)**

**3. ACCOUNTING POLICIES - continued**

**Turnover and other operating income**

The turnover shown in the statement of comprehensive income comprises the aggregate amount of gross revenue receivable from educational visits and any related coach travel commencing in the period, and other services supplied to customers in the ordinary course of business, exclusive of Value Added Tax.

Revenue relating to educational tours is recognised on departure date. Revenue relating to educational visits at one of the company's centres is recognised on arrival at the centre.

Deposits received in advance for educational visits commencing after the period end are included within deferred income. Other income, excluding Value Added Tax, is recognised at date of sale with the exception of income generated from the sale of third party insurance policies which is recognised on departure date.

Other operating income relates to staff deductions made for food and accommodation provided.

**Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual value over their estimated useful lives, as follows:

Sales licences	- 5 years straight line
Trademarks	- over the life of the trademark
Software	- 4 years straight line
Website development costs	- 25% straight line

Assets, including software, in the course of construction are stated at cost. These assets are not amortised until they are available for use.

**Website development costs**

Development costs directly attributable to bringing the company websites into use are capitalised as intangible fixed assets and amortised on a straight line basis over 4 years.

**Fixed assets**

Tangible assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold buildings	- over the life of the lease
Leasehold property improvements	- lower of lease period or assets useful economic life
Plant and machinery	- 25% straight line

No depreciation is provided on freehold land.

**Lease agreements**

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

**(i) Finance leases**

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital elements of the leasing obligations is recorded as a liability on inception of the arrangement. The lease payments are proportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

**KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017 (CONTINUED)**

**3. ACCOUNTING POLICIES – continued**

**Lease agreements - continued**

**(ii) Sale and leaseback**

Sale and leaseback transactions resulting in a finance lease are accounted for in line with the finance lease policy above. Any excess of sales proceeds over the carrying amount are deferred and amortised over the lease term. Any loss on disposal of the assets is recognised immediately in the statement of comprehensive income.

**(iii) Operating leases**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

**Investments**

Investments in the subsidiary undertakings are included at cost less any provision for impairment.

**Inventories**

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is determined on a First In First Out basis.

**Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

**Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**Deferred tax**

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

**Foreign currency translation**

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017 (CONTINUED)**

**4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**a) Critical judgements in applying the company's accounting policies**

The directors believe that there are no critical judgements involved in applying the company's accounting policies that warrant disclosure.

**b) Key accounting estimates and assumptions**

The directors believe that there are no key accounting estimates and assumptions involved in applying the Company's accounting policies that warrant disclosure.

**5. TURNOVER**

The turnover and profit (2016: loss) on ordinary activities before taxation are attributable to the principal activities of the company. The directors consider that the disclosure of a geographical analysis by destination and by origin of turnover and profit would be prejudicial to the Company.

	Year ended 31 October 2017 £'000	Year ended 31 October 2016 £'000
Sales of goods	630	585
Rendering of services	23,509	22,388
	<b>24,139</b>	<b>22,973</b>

**6. OPERATING PROFIT/(LOSS)**

The operating profit/(loss) and profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):

	2017 £'000	2016 £'000
Depreciation - owned assets	1,695	1,637
Amortisation of intangible assets	141	154
Auditor's remuneration - audit of financial statements	30	63
Auditor's remuneration - tax and other fees	13	20
Foreign exchange losses/(gains)	-	(23)
Operating lease costs	959	863
Exceptional items	<u>423</u>	<u>8,258</u>

*Exceptional items*

The 2017 exceptional costs of £423,000 in the year ended October 2017 relate to an aborted acquisition (£119,000) and to restructuring costs in Kingswood Learning & Leisure (£304,000).

The 2016 exceptional costs of £8,258,000 in the year ended 31 October 2016 relate to fair value adjustment to property (£5,348,000), uninsured commercial incident (£243,000), other write offs (£543,000), fees and one off payments in relation to the restructure of the Inspiring Learning Services Limited group (£1,219,000), and inter-company debt waived (£905,000).

**KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**  
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**7. EMPLOYEE INFORMATION**

The average monthly number of persons, including directors, employed by the company during the year was as follows:

	2017 Number	2016 Number
Administration staff	116	91
Activity centres and support	<u>571</u>	<u>516</u>
	<u>687</u>	<u>607</u>

The aggregate payroll costs of these persons were as follows:

	2017 £'000	2016 £'000
Wages and salaries	10,763	8,831
Social security costs	706	577
Other pension costs	<u>65</u>	<u>56</u>
	<u>11,534</u>	<u>9,464</u>

The directors received no remuneration in respect of their services to the company during the year (2016: nil)

The company operates a number of defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company to the funds and amounted to £65,000 (2016: £56,000). A total of £33,000 (2016: £19,000) was payable to the funds at the year end.

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2017 £'000	2016 £'000
Other interest	<u>41</u>	<u>80</u>

**9. INCOME TAX**

**Tax expense included in profit or loss**

No current or deferred tax expense arose in the year under review (2016: £nil).

**Reconciliation of tax charge**

Tax assessed for the period differs to the standard rate of corporation tax in the UK for the year ended 31 October 2017 of 19.42% (2016: 20%). The differences are explained below:

	2017 £'000	2016 £'000
Profit/(loss) on ordinary activities before tax	<u>23</u>	<u>(2,451)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.42% (2016 – 20%)	5	(490)
Effects of:		
Permanent differences	130	1,422
Group relief not paid for	<u>(135)</u>	<u>(932)</u>
Current tax charge	<u>-</u>	<u>-</u>

The company has an unrecognised deferred tax asset of £1,126,000 (2016: £923,000) relating to unrecognised capital allowances.

Deferred tax has been calculated using a tax rate of 17%.



**KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. INTANGIBLE ASSETS**

	Trademarks	Sales Licences	Software & IT licences	Website Development costs	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 November 2016	7	100	1,455	124	1,686
Additions	-	-	170	-	170
<b>At 31 October 2017</b>	<b>7</b>	<b>100</b>	<b>1,625</b>	<b>124</b>	<b>1,856</b>
<b>Accumulated amortisation</b>					
At 1 November 2016	-	100	1,077	98	1,275
Charge for year	-	-	141	-	141
<b>At 31 October 2017</b>	<b>-</b>	<b>100</b>	<b>1,218</b>	<b>98</b>	<b>1,416</b>
<b>Net book amount</b>					
<b>At 31 October 2017</b>	<b>7</b>	<b>-</b>	<b>407</b>	<b>26</b>	<b>440</b>
At 31 October 2016	7	-	378	26	411

**11. TANGIBLE ASSETS**

	Leasehold property	Leasehold property improvements	Plant and machinery	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 November 2016	25,000	10,193	9,284	44,477
Additions	-	3,026	496	3,522
<b>At 31 October 2017</b>	<b>25,000</b>	<b>13,219</b>	<b>9,780</b>	<b>47,999</b>
<b>Accumulated depreciation</b>				
At 1 November 2016	-	3,552	7,051	10,603
Charge for year	165	965	565	1,695
<b>At 31 October 2017</b>	<b>165</b>	<b>4,517</b>	<b>7,616</b>	<b>12,298</b>
<b>Net book amount</b>				
<b>At 31 October 2017</b>	<b>24,835</b>	<b>8,702</b>	<b>2,164</b>	<b>35,701</b>
At 31 October 2016	25,000	6,641	2,233	33,874

**KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2017 (CONTINUED)**

**12. INVESTMENTS**

	Subsidiary undertakings £'000
<b>COST</b>	
At 1 November 2016	61
Additions	—
<b>NET BOOK VALUE</b>	
At 31 October 2017	<u>61</u>
At 31 October 2016	<u>61</u>

At 31 October 2017 the subsidiaries, all 100% owned and incorporated within England and Wales, were as follows:

Entity name	Principal activity
Camp Beaumont Day Care Limited*	Day care camps
Britannia Coach Services Limited*	Coach travel supp. educational visits
Kingswood Colomendy Limited*	Educational visits
Kingswood Centre Limited*	Dormant
Kingswood (Isle of Wight) Limited*	Dormant
London Day Camps Limited	Dormant
* Directly owned	

The directors consider the value of the investments to be supported by their underlying assets and cash flows.  
The registered address for the listed subsidiaries is Kingswood House, Alkmaar Way, Norwich, Norfolk, NR6 6BF

**13. INVENTORIES**

	2017 £'000	2016 £'000
Goods for resale	<u>168</u>	<u>129</u>

The replacement cost of stocks does not differ materially from the values disclosed above.

Stock of £315,000 was charged to the profit and loss account in the year (2016: £294,000) including write downs in the year of £12,000 (2016: £nil).

**14. DEBTORS**

	2017 £'000	2016 £'000
Amounts falling due within one year:		
Trade debtors	2,240	2,213
Amounts owed by group undertakings	24,964	25,377
Other debtors	43	1,254
Prepayments and accrued income	<u>1,153</u>	<u>882</u>
	<u>28,400</u>	<u>29,726</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

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**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £'000	2016 £'000
Bank overdraft	586	-
Trade creditors	1,379	1,602
Amounts due under finance leases	2	2
Amounts owed to group undertakings	7,186	8,928
Taxation and social security	353	2,703
Other creditors	1,084	1,287
Accruals and deferred income	<u>5,974</u>	<u>4,836</u>
	<u><b>16,564</b></u>	<u><b>19,358</b></u>

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

**16. AMOUNTS DUE UNDER FINANCE LEASES**

	2017 £'000	2016 £'000
Amounts due under finance leases	<u><b>24,996</b></u>	<u><b>24,998</b></u>

Future minimum payments under finance leases are as follows:

	2017 £'000	2016 £'000
Within one year	2	2
Between two and five years	8	8
Over five years	<u><b>24,988</b></u>	<u><b>24,990</b></u>
Total gross payments	<u><b>24,998</b></u>	<u><b>25,000</b></u>

The above relate to amounts due under the sales and finance leaseback transaction on properties entered into during the year under review. The term of the lease is 175 years and the interest rate implicit in the arrangement is 3.57% per annum.

**KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**17. OPERATING LEASE COMMITMENTS**

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land and buildings	Other	Land and buildings	Other
	2017	2017	2016	2016
	£'000	£'000	£'000	£'000
Not later than one year	607	74	767	56
Later than one year and not later than five years	1,679	71	1,634	24
Later than five years	4,381	-	2,518	-
	<b>6,667</b>	<b>145</b>	<b>4,919</b>	<b>80</b>

Operating leases relate to land and buildings and car leases. During the year £959,000 was recognised as an expense in the profit and loss account in respect of operating leases (2016: £863,000).

**18. PROVISIONS FOR LIABILITIES**

	Onerous Lease £'000
At 1 November 2016	479
Utilised in the year	(60)
At 31 October 2017	<b>419</b>

The onerous lease relates to a provision for the future lease costs of the unused element of the Kingswood Norwich office. This arose due to the corporate restructure and reorganisation. The lease has a remaining life of eight years; the provision will reverse over this period.

**19. CONTINGENT LIABILITIES AND COMMITMENTS**

The company is a guarantor, alongside other group subsidiaries, of the Graduation Topco Limited group bank facilities. The liabilities concerned amounted to £36,000,000 at 31 October 2017.

There were no other material contingent liabilities at 31 October 2017.

**20. RELATED PARTY TRANSACTIONS**

On 27 October 2016, Inspiring Learning Limited sold the whole of the Issued share capital of Equity Inspiring Learning Limited to Equity Bidco Limited, a Company under the control of Bridgepoint Advisers II Limited. Accordingly as of and for the year ended 31 October 2017 the Equity Inspiring Learning Limited Group represents a related party in respect of which disclosure of transaction is required.

The following transactions were made during the period with the Equity Inspiring Learning Limited Group:-

- Equity Inspiring Learning Limited recharged overhead costs to Kingswood Learning and Leisure Limited totalling £39,000
- Kingswood Learning and Leisure Limited recharged overhead costs to Equity Inspiring Learning Limited totalling £246,000
- Kingswood Learning and Leisure Limited provided residential accommodation to Equity Inspiring Learning Limited for £48,000

**KINGSWOOD LEARNING AND LEISURE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**20. RELATED PARTY TRANSACTIONS (CONTINUED)**

As at 31 October 2017 Equity Inspiring Learning Limited group owed Kingswood Learning and Leisure Group Limited £71,000, included in trade receivables, and £8,000 included in other debtors. Kingswood Learning and Leisure Group Limited owed Equity Topco Limited £40,000, included in other creditors.

Related balances are disclosed in note 14 and 15 with trade balances included as part of trade debtors and trade creditors. As at 31 October 2017 Kingswood Learning and Leisure Limited had the following aggregate related party balances with subsidiaries of the Ultimate parent.

	2017	2016
	£'000	£'000
Amounts owed from immediate parent company	1,104	1,432
Amounts owed from group undertakings	23,860	23,945
Amounts owed from related parties	24,964	25,377
Amounts owed to group undertakings	7,186	8,928
Amounts owed to related parties	7,186	8,928

Key management personnel related party transactions are exempt from disclosure.

**21. ULTIMATE CONTROLLING PARTY**

The Immediate parent undertaking of the entity is Inspiring Learning Limited, a company incorporated in England.

The largest and smallest group of undertakings for which consolidated financial statements are prepared to include the results of this company are headed by Graduation Topco Limited and Inspiring Learning (Holdings) Limited both of which are registered at 1 Jubilee Street, Brighton, BN1 1GE.

A copy of Graduation Topco Limited and Inspiring Learning (Holdings) Limited consolidated financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Graduation Topco Limited, incorporated in England is the ultimate parent undertaking of the entity.

The company is controlled by certain limited partnerships managed by Bridgepoint Advisers II Limited.

**22. CALLED UP SHARE CAPITAL**

	2017	2016
	£'000	£'000
<b>Authorised</b>		
10,000 (2016: 10,000) Ordinary shares of £1 each (2016: £1)	<u>10</u>	<u>10</u>
<b>Allotted and fully paid:</b>		
2 (2016: 2) Ordinary share of £1 each (2016: £1)	<u>-</u>	<u>-</u>