

**Equity Solutions (Manchester)  
Limited**

Director's Report and Financial Statements

Year Ended

31 August 2020

Company Number 04181376

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## Equity Solutions (Manchester) Limited

### Company Information

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Director	A M Dwan
Company secretary	North Consulting Limited
Registered number	04181376
Registered office	Building 1000 Kings Reach Yew Street Stockport SK4 2HG
Independent auditor	BDO LLP 3 Hardman Street Spinningfields Manchester M3 3AT

# Equity Solutions (Manchester) Limited

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# Equity Solutions (Manchester) Limited

## Director's Report For the Year Ended 31 August 2020

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The director presents his report and the financial statements for the year ended 31 August 2020.

### Principal activity

The company's principal activity is to provide services to other group companies.

### Director

A M Dwan

### Going concern

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency in relation to the COVID-19 outbreak and the risks to the international community as the virus spreads globally beyond its point of origin. As a result of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

In the annual review of the Company's going concern, the Director has considered the long-term impact of the COVID-19 pandemic. The Company is the holding company of Education Solutions Speke Limited who has entered long-term contracts with both the clients and suppliers, and after a careful review of these contracts the Directors is confident that the Company can continue to operate as normal for the next twelve months. The Director has committed to carrying out regular review of the Company's cash flows to monitor the ongoing situation.

### Disclosure of information to auditor

The director at the time when this director's report is approved has confirmed that:

- so far as is aware, there is no relevant audit information of which the company's auditor is unaware, and
- has 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.

### Auditor

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

### Small companies note

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 23/3/21 and signed on its behalf.



J Connolly  
For and on behalf of North Consulting Limited  
Secretary

# **Equity Solutions (Manchester) Limited**

## **Director's Responsibilities Statement For the Year Ended 31 August 2020**

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The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

# Equity Solutions (Manchester) Limited

## Independent Auditor's Report to the Members of Equity Solutions (Manchester) Limited

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### Opinion

We have audited the financial statements of Equity Solutions (Manchester) Limited ("the Company") for the year ended 31 August 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 directors has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# Equity Solutions (Manchester) Limited

## Independent Auditor's Report to the Members of Equity Solutions (Manchester) Limited (continued)

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### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the director's report and from the requirement to prepare a strategic report.

## Equity Solutions (Manchester) Limited

### Independent Auditor's Report to the Members of Equity Solutions (Manchester) Limited (continued)

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#### Responsibilities of the director

As explained more fully in the Statement of Directors Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.


#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

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



Stuart Wood (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Manchester  
United Kingdom  
25 March 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



## Equity Solutions (Manchester) Limited

### Statement of Comprehensive Income For the Year Ended 31 August 2020

	2020 £	2019 £
Turnover	147,000	149,562
Administrative expenses	(42,430)	(44,994)
<b>Operating profit</b>	<b>104,570</b>	<b>104,568</b>
Interest receivable and similar income	79,518	86,144
Interest payable and similar charges	(270,054)	(269,946)
<b>Loss before tax</b>	<b>(85,966)</b>	<b>(79,234)</b>
Tax on loss	-	-
<b>Loss for the financial year</b>	<b>(85,966)</b>	<b>(79,234)</b>

There was no other comprehensive income for 2020 (2019:£ NIL).

The notes on pages 8 to 13 form part of these financial statements.

# Equity Solutions (Manchester) Limited

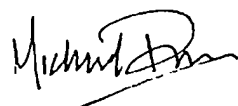
Registered number:04181376

## Statement of Financial Position As at 31 August 2020

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Investments	6		212,387		212,387
<b>Current assets</b>					
Debtors: amounts falling due after more than one year	7	674,546		829,062	
Debtors: amounts falling due within one year	7	242,194		158,400	
Cash at bank and in hand		73,410		138,252	
		<u>990,150</u>		<u>1,125,714</u>	
Creditors: amounts falling due within one year	8	(368,456)		(418,054)	
<b>Net current assets</b>			<u>621,694</u>		<u>707,660</u>
<b>Total assets less current liabilities</b>			<u>834,081</u>		<u>920,047</u>
Creditors: amounts falling due after more than one year	9		(1,350,000)		(1,350,000)
<b>Net liabilities</b>			<u>(515,919)</u>		<u>(429,953)</u>
<b>Capital and reserves</b>					
Called up share capital			1		1
Share premium account			9,999		9,999
Profit and loss account			(525,919)		(439,953)
<b>Total equity</b>			<u>(515,919)</u>		<u>(429,953)</u>

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 were approved and authorised for issue by the board and were signed on its behalf on



23/3/21

A M Dwan  
Director

The notes on pages 8 to 13 form part of these financial statements.

# Equity Solutions (Manchester) Limited

## Notes to the Financial Statements For the Year Ended 31 August 2020

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### 1. General information

Equity Solutions (Manchester) Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity are set out in the director's report.

### 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.

The preparation of financial statements in compliance with Section 1A of 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 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

#### 2.2 Going concern

As at 31 August 2020 the company has net liabilities of £515,919 (2019 - £429,953). Based on forecasts the director expects the Group headed by this company to make further profits as the contract progresses. Therefore, the financial statements are prepared on a going concern basis.

In the annual review of the Company's going concern, the Director has considered the long-term impact of the COVID-19 pandemic. The Company is the holding company of Education Solutions Speke Limited who has entered long-term contracts with its customer and suppliers, and after careful review of these contracts the Directors is confident that the Group can continue to operate as normal for the next twelve months. The Director has committed to carrying out regular review of the Group's cash flows to monitor the ongoing situation.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### 2.3 Exemption from preparing consolidated financial statements

The company, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and group are considered eligible for the exemption to prepare consolidated accounts.

#### 2.4 Revenue

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue consists of management charges which are recognised in the period to which the charge relates.

# Equity Solutions (Manchester) Limited

## Notes to the Financial Statements For the Year Ended 31 August 2020

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### 2. Accounting policies (continued)

#### 2.5 Valuation of investments

Investments held as fixed assets are shown at cost less provision for impairment.

#### 2.6 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.

#### 2.7 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.

#### 2.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade creditors and loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 2.9 Creditors

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

# Equity Solutions (Manchester) Limited

## Notes to the Financial Statements For the Year Ended 31 August 2020

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### 2. Accounting policies (continued)

#### 2.10 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.

#### 2.11 Interest income

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

#### 2.12 Current and deferred taxation

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.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

Other key sources of estimation uncertainty

- Investments (note 6)

The company reviews its investments at the end of each year to ensure that any relevant impairment is charged and that the investment is carried at its fair value. The directors use future forecasts and the underlying financial model along with the an appropriate discount rate to estimate the fair value of its investments. Any relevant impairment is charged to the statement of comprehensive income in the financial statements.

### 4. Employees

The average number of employees, including directors, during the year was 1 (2019 - 2).

# Equity Solutions (Manchester) Limited

## Notes to the Financial Statements For the Year Ended 31 August 2020

### 5. Tax

The company has tax losses of £449,875 (2019 - £449,875) carried forward which will reduce tax payments in the future. The deferred tax asset of £85,476 (2019 - £76,479) has been recognised in so far as there is certainty over the timing of its recoverability hence an element is unrecognised.

### 6. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 September 2019	212,387
At 31 August 2020	212,387
<b>Net book value</b>	
At 31 August 2020	212,387
At 31 August 2019	212,387
<b>Subsidiary undertaking</b>	

The following was a subsidiary undertaking of the company:

Name	Class of shares	Holding
Education Solutions Speke Limited	'A' ordinary shares	80.5%

The registered office of Education Solutions Speke Limited is Building 1000 Kings Reach, Yew Street, Stockport, SK4 2HG.

# Equity Solutions (Manchester) Limited

## Notes to the Financial Statements For the Year Ended 31 August 2020

### 7. Debtors

	2020 £	2019 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	674,546	829,062
<b>Due within one year</b>		
Amounts owed by group undertakings	239,150	158,400
Prepayments and accrued income	3,044	-
	<u>916,740</u>	<u>987,462</u>

Amounts owed by group undertakings are repayable at an interest rate of 9.54% per annum.

### 8. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	-	5,486
Amounts owed to group undertakings	162,971	203,570
Other taxation and social security	25,485	28,998
Other creditors	180,000	180,000
	<u>368,456</u>	<u>418,054</u>

Amounts owed to group undertakings are interest free and repayable on demand.

### 9. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Unsecured loan notes	<u>1,350,000</u>	<u>1,350,000</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2020 £	2019 £
Repayable other than by instalments	<u>1,350,000</u>	<u>1,350,000</u>

The loan notes of £1,350,000 (2019 - £1,350,000) are unsecured subordinated debt. The loan notes are repayable at the close of contract on 31 August 2027 and interest is payable per annum at 20%.

# **Equity Solutions (Manchester) Limited**

## **Notes to the Financial Statements For the Year Ended 31 August 2020**

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### **10. Related party transactions**

North Consulting Limited, a company in which A M Dwan is a director, provided services totalling £27,430 (2019 - £27,430) during the year in respect of management services. A balance of £Nil (2019 - £5,485) was owing at the year end.

During the year the company received a management fee of £132,000 (2019 - £132,000) and recharges of £15,000 (2019 - £17,000) from a subsidiary company, Education Solutions Speke Limited. At the year end £913,696 (2019 - £987,463) was due from Education Solutions Speke Limited. Interest totalling £76,044 (2019 - £85,513) was received on this balance.

Included within creditors is a total of £719,555 (2019 - £Nil) for outstanding loan notes owed to Intelligent Investments (Holdings) Limited, a company owned by M Dwan. In relation to these loan notes, during the year interest of £143,911 (2019 - £Nil) was paid.

### **11. Ultimate parent undertaking and controlling party**

The company is controlled by Little Duty Limited. The registered office of Little Duty Limited is Building 1000 Kings Reach, Yew Street, Stockport, SK4 2HG.

In the opinion of the directors this is the company's ultimate parent company and ultimate controlling party.