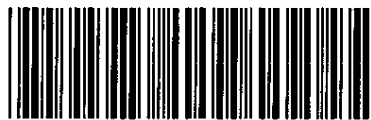


Registration number: 07982303

# Education Personnel Management Holdings Limited

Report and Financial Statements  
for the Year Ended 31 December 2021

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# **Education Personnel Management Holdings Limited**

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# **Education Personnel Management Holdings Limited**

## **Company Information**

<b>Directors</b>	J L Elliott
	A M Hawkins
	E Wann
	C P Morris
<b>Registered office</b>	Kings Court Water Lane Wilmslow Cheshire SK9 5AR

**Education Personnel Management Holdings Limited**  
**Strategic Report for the Year Ended 31 December 2021**

The Directors present their Strategic Report for the year ended 31 December 2021.

**Principal activity and business review**

The principal activity of the Company is that of a holding company. The Directors do not anticipate this to change in the future.

The results for the year are set out on page 9 of the financial statements.

**Covid-19 Update**

The impact of the Covid-19 pandemic on the Company itself has been minimal as the Company itself does not actively trade, so there has been minimal disruption by the pandemic.

**Principal risks and uncertainties**

**Company specific and market risks**

There are minimal specific risks which directly impact the Company's activities as it is a holding company. The following are wider Group risks.

The pace of continued growth depends upon the Group continuing to attract new clients for its services and the renewal of existing client contracts. The directors are confident the ongoing strong performance of the Group clearly demonstrates its success and resilience.

The servicing of the Group's growing client base requires ongoing recruitment of qualified service personnel. The Group is dedicated to being a first-class employer and employing only the best.

The Group is confident of meeting the challenges of attracting new business because of the size of the market, the heavy regulatory burden on small and medium sized businesses, the deployment of new routes to market, and the enhanced development of the service offerings using technology and new products. Additional staff will continue to be recruited to match the growth in the business, and to deliver the standards of service as recognised by the various professional bodies the Group is accredited by, including BSI under the ISO accreditation regime.

Changes in legislation have a significant impact on the Group through updates to client information and the requirement to ensure that all staff maintain their comprehensive knowledge of the regulations that could affect clients.

**Liquidity risk**

The board reviews the Group's liquidity risks both bi-annually, as part of the planning and budgeting process, and on an ad-hoc basis to ensure the Group can access sufficient cash resources to meet covenant and funding requirements and liabilities as they fall due. Short-term and long-term cash flow forecasts are regularly performed and reported to the board. Utilisation and headroom of facilities are reported to the board monthly. The Group's finance team monitor cash positions and this is reported at an entity and consolidated level to the Senior Management Team on a weekly basis and the Group maintains access to a number of sources of funding which are sufficient to meet anticipated funding requirements.

**Credit risk**

The Group is exposed to credit risk on financial assets to the extent it is owed trade and other receivables from customers. The Group's credit control function manages trade receivable exposure in house and through use of specialist debt recovery lawyers. At risk customers are reported to the Senior Management Team on an ad-hoc basis and action is taken swiftly to reduce risk through measures such as agreeing payment plans with customers. When debt is deemed irrecoverable overdue invoices and any related accrued income balance is written off against the relevant underlying provisions.

## Education Personnel Management Holdings Limited

### Strategic Report for the Year Ended 31 December 2021 (continued)

#### Brexit risk

There has been no direct impact on the Company's activities as a result of Brexit as it is a holding company. However, the board has considered the impact of Brexit on the Company's direct and indirect subsidiaries and consider the risk to be minimal. This is due to the wider Group having a diversified portfolio of over 53,000 clients and sales predominantly being to UK businesses.

#### Climate Risk

The Group has considered the impact of climate change and considers the risk to be minimal given the nature of the Group's services. The regulatory burden on small and medium sized businesses both domestically and internationally will remain, and indeed likely increase, as the increasing impact of climate change is felt across the globe. The Group also has a widespread geographical presence and can deliver its services remotely, alongside a hybrid working model for employees, therefore it is deemed trading would not be significantly hindered by travel restrictions or climate related disasters. Further, the Group has no significant manufacturing or storage facilities. The Group recognises the importance of issues such as climate change and energy consumption, and that increasing environmental regulation will continue to be a trend going forward. The Group continues to look for ways to minimise its impact on the environment.

#### Cyber Risk

The Group is at risk of a cyber-attack given that it delivers its service offering alongside technology based platforms. Failure to prevent a cyber attack or data breach could negatively impact the Group's customer and employee data, financial reporting systems and stakeholder confidence and could ultimately result in fines levied by ICO. The business continues to proactively manage risks associated with data loss, GDPR non-compliance and data control weaknesses and has hired Data Protection Officers across the Group who have introduced data security training programmes for the Group's employees and are undertaking a full review of the Group's IT structure, systems and procedures to ensure they are fit for purpose.

#### Covid-19 Risk

The Group is conscious of the legacy of the impact of Covid-19, including the impact of moving to a hybrid working model. The Group keeps in close communication with all of its employees and continually reviews policies and procedures to ensure it safeguards employee's wellbeing. For those occasions where employees do work from the office the Group has taken appropriate actions to ensure its employees remain safe at all times.

The impact of the Covid-19 pandemic on the Company itself has been minimal as the Company does not actively trade so there has, and continues to be minimal disruption caused by the pandemic.

#### Other Risks

The Group has considered the impact of the war in Ukraine and considers the risk to be minimal. This is due to the Group predominantly trading with customers based in the UK, Australia and New Zealand and due to the Group's largely technology based offering, which is not reliant on supply chains that could potentially be cut off. Whilst the Group acknowledges that the unrest in Ukraine could lead to increased prices, particularly fuel, this is not deemed to have a significant impact on the Group due to the nature of its cost base and due to the Group being able to mitigate an increasing cost base through price rises on its own products and encouraging remote delivery of services and a hybrid working model for employees.

#### Key performance indicators

The board uses a range of financial and non-financial performance indicators, reported on a regular basis, to monitor the performance of the Group over time. The Directors do not consider there to be any KPIs for this Company.

Approved and authorised by the Board on 15/09/22 and signed on its behalf by:



E Wann, Director

**Education Personnel Management Holdings Limited**  
**Directors' Report for the Year Ended 31 December 2021**

The Directors present their report and the financial statements for the year ended 31 December 2021.

**Results and dividends**

The profit for the year, after taxation, amounted to £Nil (2020: £Nil).

The Directors do not recommend the payment of a dividend (2020: £Nil).

**Directors of the Company**

The Directors who held office during the year were as follows:

J L Elliott

A M Hawkins

E Wann

C P Morris

**Indemnity provision for directors**

During the year, the Company had third party indemnity insurance for the Directors and Officers. This insurance remains in force as at the date of approving the Directors' Report.

**Covid-19 Update**

In March 2020, the World Health Organisation classified the outbreak of Covid-19 as a global pandemic and the UK was sent into a nationwide lockdown, which continued in various guises during the course of 2021.

Having already revisited its strategy in 2020, primarily through a combination of the use of the government's furlough scheme, deferral of HMRC payments, and migration to work from home and remote servicing of clients' models, and with the recovery of new business in all divisions, with the exception of the Food division, to pre-Covid levels by the start of 2021, the Group continued to successfully navigate the impact of the pandemic throughout 2021. The Group continued to deliver quality services and products to clients and continued to benefit from opportunities to bring new products to market including tailored employment law and health and safety advice, and the remaining employees on furlough in the Food and Occupational Health divisions had returned to work by the end of May 2021 and September 2021 respectively, with new business returning to pre-Covid levels or above by the end of September 2021 and December 2021 respectively. The Group has also continued to expand through merger and acquisition activity.

Restrictions in the UK continued to ease throughout 2021, lifting fully in early 2022, and therefore have not affected the Group's ability to service existing clients, win new business, grow via acquisition, or implement the long-term business strategy.

The impact of the Covid-19 pandemic on the Company itself has been minimal as the Company does not actively trade so there has, and continues to be minimal disruption caused by the pandemic.

## **Education Personnel Management Holdings Limited**

### **Directors' Report for the Year Ended 31 December 2021 (continued)**

#### **Environmental matters**

The Group is committed to minimising the environmental impact of its activities, products and services. The board regularly evaluates the Group's policies in order to ensure compliance with relevant environmental legislation, regulations and other environmental requirements is maintained. This includes conducting annual ESG maturity assessments and the Group is in the process of setting science-based targets to determine a timescale for achieving Net Zero. The Group has recently undertaken a Climate Risk Assessment and collected data to measure the movement in Greenhouse Gas Emissions year on year from 2020 to 2021. This exercise demonstrated that, as a result of the environmental and energy efficiency initiatives listed below, the Group reduced its emissions, despite increasing in size due to organic growth and acquisitions, over the period in question.

The methodology used to calculate this data has been to aggregate consumption from utility companies and employee transport claims and to use standard conversion factors to turn them into comparable data.

Environmental and energy efficiency initiatives undertaken in the year include:

- Reduction in employee travel through remote selling to and servicing of clients and the use of a hybrid working from home model for employees;
- Minimisation of waste through prevention, re-use and recycling such as use of a recycling company for office waste and replacing of plastic milk bottles for glass;
- A movement towards working with environmentally responsible suppliers;
- Planting a tree for each new joiner to the Group's employee base;
- Reduction in printing;
- Full year effect in 2021 of the closure of three offices across the property portfolio in prior years;
- Raising awareness of the Cycle to Work scheme throughout the Group and encouraging uptake of the scheme;
- Establishment of environmental committees throughout the Group and empowering colleagues to make changes both small and large to increase energy efficiency.

#### **Employee involvement**

Within the bounds of commercial confidentiality, staff at all levels are kept fully informed of matters that affect the progress of the Company and are of interest to them as employees.

#### **Disabled employees**

Disabled employees are given full and fair consideration for all types of vacancy. Should an existing employee become disabled, such steps as are practical and reasonable are taken to retain him or her in employment. Where appropriate, assistance with rehabilitation and suitable training are given. Disabled persons have equal opportunities for training, career development and promotion, except insofar as such opportunities are constrained by the practical limitations of their disability.

## **Education Personnel Management Holdings Limited**

### **Directors' Report for the Year Ended 31 December 2021 (continued)**

#### **Financial instruments**

The Company's primary financial instruments are cash and intergroup receivables. The Company does not have derivative financial instruments.

#### **Going concern**

After preparing projections to December 2023 the directors have assessed the need for continued financial support. The Company is reliant on financial support from its parent company who has confirmed it will provide financial support to assist the Company to meet its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the Company to meet such liabilities.

The Company participates in the Group's centralised treasury arrangement and so shares banking arrangements with fellow group companies. There is no external debt or covenants in place at the subsidiary level.

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' report above including the actions taken to mitigate the impact of Covid-19.

The Group participates in a centralised treasury arrangement and so shares banking arrangements with all companies in the Rocket Topco Limited Group. The Group closely monitors its funding position throughout the year including monitoring continued compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations. The Group restructured its funding arrangements in the prior year as part of the sale of the Group of companies formerly headed by Citation Topco Limited on 15 September 2020. Further changes to the Group's funding arrangements were agreed in the year and post year end, to provide the Group with additional facilities and cash headroom.

Following the Group's refinancing subsequent to year end, the Group is required to meet certain financial covenants to avoid breaching the terms of its facility agreement. Throughout the review period of its assessment, even after sensitising the forecasts for plausible downside scenarios, the Group maintains sufficient cash reserves to pay its liabilities as they fall due, including interest payments, and complies with its financial covenant.

In assessing the going concern assumption for these financial statements, the Directors have prepared a base case cash flow and profit forecast to consider the Group's ability to comply with its financial covenant, and to continue to pay its debts as they fall due.

As forecasting is inherently difficult in the current environment, and revenues can be potentially impacted by external factors, the Directors have applied sensitivities to the base case, challenging the forecasted values by incorporating severe but plausible downside scenarios which include:

- A 15% reduction in the existing contracted client base including a 20% decrease in take-up on customer renewals; together with
- An average fall of new business across the forecast period of 50% against baseline budgeted growth; and
- A stepped increase up to 5% in 2023 on the unhedged portion of interest charged on the Group's borrowings.

From the sensitivities that were run it was determined that adjusting these key levers to the base case model would still leave headroom for forecast liquidity and loan covenants.



## **Education Personnel Management Holdings Limited**

### **Directors' Report for the Year Ended 31 December 2021 (continued)**

In assessing the going concern assumption for these financial statements, the Directors have prepared cash flow and profit forecasts to consider the Group's ability to comply with its financial covenant, and to continue to pay its debts as they fall due.

The Directors are therefore satisfied they have a reasonable basis upon which to conclude that the group is able to continue as a going concern to December 2023.

The key factors supporting this are:

- The Group has a contracted and recurring revenue base which is not reliant on any one sector, making the business more resilient to demand shocks. The Group's business has grown since the outbreak of Covid-19 in the UK and Australia and New Zealand with new business across all divisions having returned to pre-Covid levels or above before the end of 2021.
- With cash at the end of 2021 of £14,011,459 and a £35,000,000 undrawn revolving credit Facility the Group had sufficient liquidity at the start of 2021 for the period ahead.
- Only interest repayments are required to be made until the maturity of the bank debt in 2027.

#### **Future developments**

The Group is continuing with its strategy of expanding routes to market, adding additional products to its offering and developing the next generation IT platforms for its clients.

#### **Political donations**

The Company made no political contributions during the year (2020: £Nil).

Approved and authorised by the Board on .....15/09/22..... and signed on its behalf by:



.....  
E Wann  
Director

## **Education Personnel Management Holdings Limited**

### **Statement of Directors' Responsibilities**

The Directors acknowledge their responsibilities for preparing the Directors' report, Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland". Under company law the Directors must not approve the financial statements unless 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 apply them consistently;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Education Personnel Management Holdings Limited

## Statement of Comprehensive Income for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Operating profit/(loss)	3	-	-
Profit/(loss) before tax		-	-
Taxation		-	-
Profit/(loss) for the financial year		-	-
 Total comprehensive income for the year		-	-

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 12 to 18 form an integral part of these financial statements.

# Education Personnel Management Holdings Limited

(Registration number: 07982303)

## Statement of Financial Position as at 31 December 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	5	<u>12,742,277</u>	<u>5,205,315</u>
		<u>12,742,277</u>	<u>5,205,315</u>
<b>Current assets</b>			
Debtors	6	15,200	15,200
Cash at bank and in hand	7	<u>-</u>	<u>109</u>
		15,200	15,309
<b>Creditors: amounts falling due within one year</b>	8	<u>(2,520,472)</u>	<u>(2,285,902)</u>
<b>Net current liabilities</b>		<u>(2,505,272)</u>	<u>(2,270,593)</u>
<b>Net assets</b>		<u>10,237,005</u>	<u>2,934,722</u>
<b>Capital and reserves</b>			
Called up share capital	9	947,034	712,355
Share premium reserve	10	7,073,304	5,700
Profit and loss account		<u>2,216,667</u>	<u>2,216,667</u>
<b>Shareholders' funds</b>		<u>10,237,005</u>	<u>2,934,722</u>

For the year ending 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

### Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved and authorised by the Board on .....15/09/22..... and signed on its behalf by:



.....  
E Wann  
Director

The notes on pages 12 to 18 form an integral part of these financial statements.

**Education Personnel Management Holdings Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2021**

	<b>Called up Share capital £</b>	<b>Share premium account £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<i>At 1 January 2021</i>	712,355	5,700	2,216,667	2,934,722
New share capital subscribed	<u>234,679</u>	<u>7,067,604</u>	<u>-</u>	<u>7,302,283</u>
<b>At 31 December 2021</b>	<u><b>947,034</b></u>	<u><b>7,073,304</b></u>	<u><b>2,216,667</b></u>	<u><b>10,237,005</b></u>

	<b>Called up Share capital £</b>	<b>Share premium account £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<i>At 1 January 2020</i>	<u>712,355</u>	<u>5,700</u>	<u>2,216,667</u>	<u>2,934,722</u>
<b>At 31 December 2020</b>	<u><b>712,355</b></u>	<u><b>5,700</b></u>	<u><b>2,216,667</b></u>	<u><b>2,934,722</b></u>

The notes on pages 12 to 18 form an integral part of these financial statements.

## **Education Personnel Management Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **1 General information**

The Company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Kings Court  
Water Lane  
Wilmslow  
Cheshire  
SK9 5AR

#### **2 Accounting policies**

##### **2.1 Summary of significant accounting policies and key accounting estimates**

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

##### **2.2 Statement of compliance and basis of preparation**

The financial statements have been prepared in compliance with Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" and the Companies Act 2006, as it applies to the financial statements of the company for the year ended 31 December 2021.

The financial statements are prepared in sterling which is the functional currency of the Company.

The Company has taken the exemption to not prepare consolidated accounts. The Company is a subsidiary undertaking and is exempt from the requirement to prepare consolidated accounts by virtue of section 9.3 (g) of FRS102. These financial statements therefore present information about the Company as an individual undertaking and not about its Group.

##### **2.3 Going concern**

After preparing projections to December 2023 the directors have assessed the need for continued financial support. The Company is reliant on financial support from its parent company who has confirmed it will provide financial support to assist the Company to meet its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the Company to meet such liabilities.

The Company participates in the Group's centralised treasury arrangement and so shares banking arrangements with fellow group companies. There is no external debt or covenants in place at the subsidiary level.

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' report above including the actions taken to mitigate the impact of Covid-19.

## Education Personnel Management Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 2 Accounting policies (continued)

The Group participates in a centralised treasury arrangement and so shares banking arrangements with all companies in the Rocket Topco Limited Group. The Group closely monitors its funding position throughout the year including monitoring continued compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations. The Group restructured its funding arrangements in the prior year as part of the sale of the Group of companies formerly headed by Citation Topco Limited on 15 September 2020. Further changes to the Group's funding arrangements were agreed in the year and post year end, to provide the Group with additional facilities and cash headroom.

Following the Group's refinancing subsequent to year end, the Group is required to meet certain financial covenants to avoid breaching the terms of its facility agreement. Throughout the review period of its assessment, even after sensitising the forecasts for plausible downside scenarios, the Group maintains sufficient cash reserves to pay its liabilities as they fall due, including interest payments, and complies with its financial covenant.

In assessing the going concern assumption for these financial statements, the Directors have prepared a base case cash flow and profit forecast to consider the Group's ability to comply with its financial covenant, and to continue to pay its debts as they fall due.

As forecasting is inherently difficult in the current environment, and revenues can be potentially impacted by external factors, the Directors have applied sensitivities to the base case, challenging the forecasted values by incorporating severe but plausible downside scenarios which include:

- A 15% reduction in the existing contracted client base including a 20% decrease in take-up on customer renewals; together with
- An average fall of new business across the forecast period of 50% against baseline budgeted growth; and
- A stepped increase up to 5% in 2023 on the unhedged portion of interest charged on the Group's borrowings.

From the sensitivities that were run it was determined that adjusting these key levers to the base case model would still leave headroom for forecast liquidity and loan covenants.

In assessing the going concern assumption for these financial statements, the Directors have prepared cash flow and profit forecasts to consider the Group's ability to comply with its financial covenant, and to continue to pay its debts as they fall due.

The Directors are therefore satisfied they have a reasonable basis upon which to conclude that the group is able to continue as a going concern to December 2023.

The key factors supporting this are:

- The Group has a contracted and recurring revenue base which is not reliant on any one sector, making the business more resilient to demand shocks. The Group's business has grown since the outbreak of Covid-19 in the UK and Australia and New Zealand with new business across all divisions having returned to pre-Covid levels or above before the end of 2021.
- With cash at the end of 2021 of £14,011,459 and a £35,000,000 undrawn revolving credit Facility the Group had sufficient liquidity at the start of 2021 for the period ahead.
- Only interest repayments are required to be made until the maturity of the bank debt in 2027.

## **Education Personnel Management Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **2.4 Financial reporting standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS102; the Financial Reporting Standard applicable in the UK and Republic of Ireland":

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Related party disclosures;
- Cashflow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Rocket Midco Limited include the equivalent disclosures, the Company has also taken the exemption under FRS102 available in respect of the following disclosure.

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of paragraph 36(4) of Schedule 1.

##### **2.5 Judgements and estimates and key sources of estimation uncertainty**

The preparation of financial statements in compliance with FRS 102 requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There were no judgements or material estimation uncertainties affecting the reported financial performance and position in the current or prior year.

##### **2.6 Valuation of Investments**

Investments in subsidiaries are measured at cost less accumulated 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. 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.

##### **2.8 Debtors**

Current 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.



## **Education Personnel Management Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **2.9 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.

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. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Consolidated 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 Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

##### **2.10 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.

##### **2.11 Called up share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## Education Personnel Management Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 3 Operating profit

Audit fees of £nil (2020: £nil) were borne by other Group companies and not recharged.

#### 4 Employees

The Company has no employees other than the Directors.

The Directors received no remuneration for their services to this Company (2020: £Nil).

#### 5 Investments

	Investment in subsidiary company £
<b>Subsidiaries</b>	
<b>Cost or valuation</b>	
At 1 January 2021	5,205,315
Additions	<u>7,536,962</u>
At 31 December 2021	<u>12,742,277</u>
<b>Carrying amount</b>	
At 31 December 2021	<u>12,742,277</u>
At 31 December 2020	<u>5,205,315</u>

#### Details of undertakings

Name	Country of incorporation	Class of shares	Holding	Principal activity
Education Personnel Management Limited	England and Wales**	Ordinary shares	100%	Employment Legislation and payroll services
Avec Partnership Limited*	England and Wales**	Ordinary shares	100%	Dormant

\*held by subsidiary undertaking

\*\*registered at Kings Court, Water Lane, Wilmslow, Cheshire, SK9 5AR

On 13 September 2021, Citation Holdings Limited sold the entire share capital of Avec Partnership Limited to its direct subsidiary Education Personnel Management Holdings Limited in exchange for 23,467,945 shares in Education Personnel Management Holdings Limited with a 1p nominal value. Subsequently, on 13 September 2021, an indirect subsidiary of Citation Holdings Limited, Education Personnel Management Limited acquired the entire share capital of Avec Partnership Limited from Education Personnel Management Holdings Limited in exchange for 366 shares with a £1 nominal value. On 21 September 2021 Education Personnel Management Limited acquired the entire trade and assets of Avec Partnership Limited.

## Education Personnel Management Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 6 Debtors

	Note	2021 £	2020 £
Amounts owed by Group undertakings		15,200	15,200
		<u>15,200</u>	<u>15,200</u>

The amounts owed by group undertakings relate to an amount due from Citation Holdings Limited. The amounts are repayable on demand.

#### 7 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	-	109
	<u>-</u>	<u>109</u>

#### 8 Creditors

	2021 £	2020 £
<b>Due within one year</b>		
Amounts owed to Group undertaking	2,520,472	2,285,902
	<u>2,520,472</u>	<u>2,285,902</u>

The amounts owed to group undertakings relate to amounts due to Education Personnel Management Limited. The amounts are repayable on demand.

#### 9 Called up share capital

##### Authorised, allotted and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £0.01 each	<u>94,703,400</u>	<u>947,034.00</u>	<u>71,235,500</u>	<u>712,355.00</u>

## **Education Personnel Management Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **9 Called up share capital (continued)**

On 13 September 2021, Citation Holdings Limited sold the entire share capital of Avec Partnership Limited to its direct subsidiary Education Personnel Management Holdings Limited in exchange for 23,467,945 shares in Education Personnel Management Holdings Limited with a 1p nominal value. Subsequently, on 13 September 2021, an indirect subsidiary of Citation Holdings Limited, Education Personnel Management Limited acquired the entire share capital of Avec Partnership Limited from Education Personnel Management Holdings Limited in exchange for 366 shares with a £1 nominal value. On 21 September 2021 Education Personnel Management Limited acquired the entire trade and assets of Avec Partnership Limited.

#### **10 Share premium reserve**

The reserve records the amount above the nominal value received for shares sold, less transaction costs.

#### **11 Controlling party**

At 31 December 2021, the Company was a wholly owned subsidiary undertaking of Rocket Topco Limited, a Company registered and incorporated in Jersey. The largest Group in which the results of the Company are consolidated is that headed by Rocket Topco Limited. The smallest Group in which they are consolidated is that headed by Rocket Midco Limited. Copies of the financial statements of Rocket Topco Limited are available from 2nd Floor, Sir Walter Raleigh House, 48-50 Esplanade, St Helier, Jersey, JE2 3QB and copies of the financial statements of Rocket Midco Limited are available from 11th Floor 200 Aldersgate Street, London, United Kingdom, EC1A 4HD.

The Company's immediate parent undertaking is Citation Holdings Limited.

The ultimate parent undertakings and controlling parties at 31 December 2021 are Rocket Aggregator L.P. incorporated in Canada and HGC Capital 8 Nominees Limited.