

Graduation Bidco Limited

Annual report and financial statements

for the period ended 31 October 2016

Registered number: 10216479

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Graduation Bidco Limited

Annual report and financial statements for the period ended 31 October 2016

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Graduation Bidco Limited

Company information for the period ended 31 October 2016

Directors

J Andrews
J Bentley
M Robinson
N Goodwin

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
3 St James Court
Whitefriars
Norwich
NR3 1RJ

Bankers

National Westminster Bank plc
135 Bishopsgate
London
EC2M 3UR

Solicitors

Travers Smith
10 Snow Hill
London
EC1A 2AL

Registered office

C/O Kingwood Learning
Towerpoint, 4th Floor
44 North Road
Brighton
East Sussex
BN1 1YR

Graduation Bidco Limited

Strategic report for the period to 31 October 2016

The directors present their strategic report for the period ended 31 October 2016.

Business review


The company was incorporated on 6 June 2016. On 27 October 2016 the company acquired the whole of the issued share capital of Inspiring Learning Services Limited. Inspiring Learning Services Limited and its subsidiary undertakings provide inspiring learning experiences for young people including educational school trips and adventure holidays.

The performance of the company during the period and the period end financial position are considered satisfactory by the directors. The directors do not anticipate any material changes in the company's activities in the ensuing year.

Principal risks and uncertainties

The directors of Graduation Holdco Limited, the ultimate parent undertaking, manage the group's operations on a group wide basis. 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 Graduation Bidco Limited. The development, performance and position of Graduation Holdco Limited group, which includes this company, is discussed in the annual report of Graduation Holdco Limited which does not form part of this report.

On behalf of the board


Nicholas Goodwin
Director
6th April 2017

Graduation Bidco Limited

Directors' report for the period ended 31 October 2016

The directors present their report and the audited financial statements for the 5 month period ended 31 October 2016.

Results and dividends

The loss for the period amounted to £1,895,000. The directors have not recommended the payment of a dividend.

Going concern

The directors have received confirmation from Graduation Topco Limited, the ultimate parent undertaking, that it will provide financial support to Graduation Bidco 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 liquidity 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 access to funding from its intermediate parent such as to ensure it is able to settle its debtors as they fall due.

Directors

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

C Barter (resigned 23 August 2016)
P Gunner (resigned 23 August 2016)
R Lawson (resigned 27 October 2016)
A Payne (resigned 27 October 2016)
J Andrews (appointed 24 October 2016)
J Bentley (appointed 24 October 2016)
N Goodwin (appointed 28 October 2016)
M Robinson (appointed 24 October 2016)

Directors' and officers' indemnity insurance

The company maintains liability insurance for its directors and officers, with a cover limit for each claim or series of claims against them in that capacity which was in force during the financial period and also at the date of approval of the financial statements. 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.

Graduation Bidco Limited

Directors' report for the period ended 31 October 2016 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report and 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;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

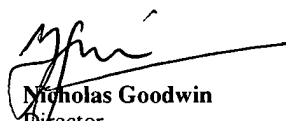
Statement of disclosure of information to auditors

So far as each of the directors are aware, there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the next annual general meeting.

On behalf of the board


Nicholas Goodwin
Director
6 April 2017

Graduation Bidco Limited

Independent auditors' report to the members of Graduation Bidco Limited

Report on the financial statements

Our opinion

In our opinion, Graduation Bidco Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 October 2016 and of its loss for the 21 week period (the "period") then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- give a true and fair view of the state of the company's affairs as at 31 October 2016 and of its loss for the 21 week period (the "period") then ended;
- the balance sheet as at 31 October 2016;
- the statement of comprehensive income for the period then ended;
- the statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

Graduation Bidco Limited

Independent auditors' report to the members of Graduation Bidco Limited

- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Christopher Maw (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Norwich
7 April 2017

Graduation Bidco Limited

Statement of comprehensive income for the period ended 31 October 2016

		Period ended 31 October 2016
	Note	£'000
Exceptional administrative expenses		(1,895)
Operating loss	5	(1,895)
Loss on ordinary activities before interest and tax		(1,895)
Interest payable and similar charges		-
Loss on ordinary activities before taxation		(1,895)
Tax on loss on ordinary activities	6	-
Loss and total comprehensive income for the financial period		(1,895)

The company was incorporated on 6 June 2016.

The results for the current period relate entirely to continuing operations.

The company had no items of other comprehensive income in the current period.

Graduation Bidco Limited

Balance sheet as at 31 October 2016

	Note	Period ended 31 October 2016 £'000
Fixed assets		
Investments	7	76,818
Current assets		
Debtors	8	1,818
Creditors: amounts falling due within one year	9	(13,608)
Net current liabilities		(11,790)
Total assets less current liabilities		65,028
Creditors: amounts falling due after one year	10, 11	(32,393)
Total assets less current liabilities and net assets		32,635
Capital and reserves		
Called up share capital	12	34,530
Profit and loss account		(1,895)
Total equity		32,635

The financial statements on pages 7 to 16 were approved by the board of directors on 6th April 2017 and were signed on its behalf by:


N. Goodwin
Director

Registered number: 10216479

Graduation Bidco Limited

Statement of changes in equity as at 31 October 2016

	Called-up share capital	Retained Earnings	Total
	£'000	£'000	£'000
Issue of shares	34,530		34,530
Loss and total comprehensive loss for the period	-	(1,895)	(1,895)
At 31 October 2016	34,530	(1,895)	32,635

Graduation Bidco Limited

Notes to the financial statements for the period ended 31 October 2016

1. Company information

Graduation Bidco Limited is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006. The company is registered in England and 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 Graduation Bidco 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 the period shown unless otherwise stated.

Basis of preparation

The financial statements of Graduation Bidco Limited 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 Graduation Bidco 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 Graduation Bidco 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.

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Notes to the financial statements for the period ended 31 October 2016 (continued)

3. Accounting policies (continued)

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders. The company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and its immediate parent undertaking, Graduation Holdco Limited, includes the Company's cash flows in its own consolidated financial statements;
- (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 parent undertaking Graduation Holdco 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.

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.

Graduation Bidco Limited

Notes to the financial statements for the period ended 31 October 2016 (continued)

3. Accounting policies (continued)

Taxation (continued)

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.

Investments

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

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Deferred issue costs

Issue costs in arranging financial instruments are deferred, netted against the loan balance and amortised over the term of the liability to which they relate.

4. Critical judgement

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. Operating loss

Operating loss is stated after charging:

	2016
	£'000
Exceptional expenses	1,895

Exceptional expenses arising in the period all relate to fees arising on the acquisition of the Inspiring Learning Services Group, which do not fall to be included in the cost of acquisition.

Graduation Bidco Limited

Notes to the financial statements for the period ended 31 October 2016 (continued)

6. Income Tax

No current or deferred tax arose in the period under review

Reconciliation of tax charge

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

	Period ended 31 October 2016 £'000
Profit/(loss) on ordinary activities before tax	(1,895)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20%	(379)
Effects of:	
Losses carried forward	379
Tax credit for the period	-

Tax rate changes

Reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2016 (on 7 September 2016). These reduce the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

7. Investments

	2016 £'000
Company	
On incorporation	-
Additions	76,818
Cost at 31 October 2016	76,818

On 27 October 2016, the company acquired the whole of the issued share capital of Inspiring Learning Services Limited.

Graduation Bidco Limited

Notes to the financial statements for the period ended 31 October 2016 (continued)

7. Investments (continued)

At 31 October 2016 the subsidiaries, all 100% owned and incorporated within England and Wales, were as follows:

Entity name	Principal activity
Inspiring Learning Services Limited * ¹	Non trading sub holding company
Inspiring Learning (Holdings) Limited ¹	Non trading sub holding company
Inspiring Learning Limited ¹	Non trading sub holding company
Outdoor Educational (Holdings) Limited ²	Non trading sub holding company
Kingswood Educational Group Limited ²	Non trading sub holding company
Camp Beaumont Day Care Limited ²	Day care camps
Kingswood Day Camps Limited ²	Non trading subsidiary
Kingswood Learning and Leisure Group Limited ²	Educational visits
Britannia Coach Services Limited ²	Coach travel supporting educational visits
Kingswood Colomendy Limited ²	Educational visits
Kingswood Centre Limited ²	Dormant
Kingswood (Isle of Wight) Limited ²	Dormant
London Days Camps Limited ²	Dormant
CB (Oldco) Limited ¹	Non trading subsidiary

The registered addresses for the listed subsidiaries are as follows:

¹ C/O Kingswood Learning, Towerpoint, 4th Floor, 44 North Road, Brighton, England, BN1 1YR

² Kingswood House, Alkmaar Way, Norwich, Norfolk, NR6 6BF

*Directly owned

The directors believe the carrying value of the investments is supported by their underlying assets and cashflows.

8. Debtors: amounts falling due within one year

	2016
	£'000
Other debtors	394
Amounts owed by group undertakings	1,170
Other taxation and social security costs	254
	1,818

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

Graduation Bidco Limited

Notes to the financial statements for the period ended 31 October 2016 (continued)

9. Creditors: amounts falling due within one year

	2016
	£'000
Amounts owed to parent undertaking	9,500
Amounts owed to group undertakings	4,000
Accruals and deferred income	108
	13,608

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

10. Creditors: amounts falling due after one year

	2016
	£'000
Bank loans (note 11)	32,393
	32,393

11. Loans and other borrowings

Bank loans amounting to £36,000,000 (net of unamortised loan issue costs of £3,607,000) are repayable in October 2023. The loan carries interest at LIBOR+ 7.5% and is secured on the assets of the group.

12. Called up share capital

	2016
	£'000
Authorised	
34,530,000 ordinary shares of £1 each	34,530
Allotted and fully paid:	
34,530,000 ordinary shares of £1 each	34,530

The company issued 34,530,000 ordinary shares at par on 27 October 2016.

13. Contingent liabilities

There were no material contingent liabilities at 31 October 2016.

Graduation Bidco Limited

Notes to the financial statements for the period ended 31 October 2016 (continued)

14. Ultimate controlling party

The immediate parent undertaking of the entity is Graduation Holdco Limited, a company incorporated in England and Wales.

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 Holdco Limited of which is registered in England.

A copy of Graduation Holdco Limited consolidated financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

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

The company is controlled by funds managed by BDC II Nominees Limited.