

Graduation Topco Limited

Annual report and financial statements

for the year ended 31 October 2022

Registered number: 10344504



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## **Graduation Topco Limited**

### **Annual report and financial statements for the year ended 31 October 2022**

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**Graduation Topco Limited**  
**Company information for the year ended 31 October 2022**

**Directors**

A Williamson  
M Robinson  
N Hales

**Independent auditors**

KPMG LLP  
Chartered Accountants & Statutory Auditors  
1 Forest Gate  
Brighton Road  
Crawley  
RH11 9PT

**Banker**

National Westminster Bank plc  
135 Bishopsgate  
London  
EC2M 3UR

**Solicitor**

Harper James  
10 Fitzroy Square  
London  
W1T 5HP

**Registered office**

1 Jubilee Street  
2<sup>nd</sup> Floor  
Brighton  
East Sussex  
BN1 1GE

# Graduation Topco Limited

## Strategic report for the year ended 31 October 2022

### Business review

The principal activity of the Group (consisting of Graduation Topco Limited and all its subsidiaries) is the provision of co-curricular and out of classroom learning experiences to schools, colleges and universities in the UK and overseas through the below divisions:

**Inspiring Learning Educational Activity Centres** – Inspiring Learning operates 12 centres (2021: 11) in the UK and France offering language, arts, science and activity-based classes in unique locations. These centres provide curriculum based activities for UK schools and tailored language based activities for International schools designed to help teachers and Group leaders define, target and achieve their learning objectives and maximise the value of their experience at an Inspiring Learning centre. The Group were delighted to welcome a new centre to the Inspiring Learning family in the year. The acquisition of Inspiring Learning North Devon, (company name The Ultimate Adventure Centre Limited), expands our presence in the South West.

**Camp Beaumont Day Care** - Camp Beaumont provides childcare during school holidays for children of all ages to encourage an active and healthy lifestyle. We are actively investing in further developing this area of the business to meet the needs of more children in more locations.

**Stern Lodge** – our outdoor education facility in Devon providing a highly regarded land and water based program to its loyal customers. In addition the company is currently developing an increasing focus on adult education.

**In2Action** – provides high quality training and consultancy to corporate clients as well as activity and adventure courses to school children.

The year under review saw the Group rebound from turnover of £17.4m in 2021 to £43.3m in 2022 which exceeded the Group turnover levels achieved before the coronavirus pandemic. The operating loss of £10.7m in 2021 was significantly reduced to £2.0m in 2022. Amortisation of £7,564,000 remained at a similar level to prior year (2021: £7,596,000).

Camp Beaumont had a record year, with turnover of £6.0m (2021: £5.5m) and operating profit of £9k (2021: £1.2m). This decrease in operating profit was driven by the costs for the set-up of the 15 new sites coming in proportionally higher than the year one revenue from the sites. Camp Beaumont continues to be a growth engine for the Group, growing from 34 UK camps operating in 2021 to 49 in 2022. During the year we continued to expand our Camp Beaumont presence in Asia by running camps in Malaysia and Thailand, in addition to Hong Kong.

The company acts as a holding company. The directors do not anticipate any material changes in the company's activities in the ensuing period. Camp Beaumont continues to be the main area of growth with a target of operating 64 UK camps in 2023. The directors aim to continue expanding the Camp Beaumont presence in Asia by entering into further countries.

### Financial risk management

The Group's operations expose it to a variety of financial risks that include liquidity risk, credit risk, and interest rate cash flow risk. Given the size of the Group 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 Group's finance department.

#### *Liquidity risk*

The Group has cash at bank to ensure it is able to settle its debtors as they fall due.

#### *Credit risk*

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

#### *Interest rate cash flow risk*

The Group has a term and bank loans of £34,202,000 which carry interest at a variable rate and therefore subject to change in interest risks.

## Graduation Topco Limited

### Strategic report for the year ended 31 October 2022 (Continued)

#### Management team

Martin Robinson is the non-executive chairman of Graduation Topco Limited Group.

Alex Williamson is the CEO of the Group and in November 2022 Nicholas Hales was appointed as the CFO of the Group. We have continued to invest in and develop the broader management team and believe the team now in place is best placed to deliver against our strategic objectives.

#### Principal risks and uncertainties

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

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

#### Key performance indicators

The key performance indicators (KPIs) relate primarily to the Kingswood and Camp Beaumont Day Care businesses. The KPIs are turnover, operating profit/(loss) before exceptional items, operating profit/(loss), and capital expenditure.

	2022	2021
	£m	£m
Turnover	43.3	17.4
Operating loss before exceptional items	(1.7)	(10.2)
Operating (loss)	(2.0)	(10.7)
EBITDA profit / (loss) before exceptional items	8.3	(0.7)
EBITDA profit / (loss)	8.0	(1.3)
Capital expenditure (tangible and intangible assets) (excl. Goodwill and lease back additions)	9.6	2.4
Number of Camp Beaumont sites	49	34

The Group saw a significant increase in turnover on the prior year.

Camp Beaumont continued to grow in the year to 49 sites being operated, up from 34 operated in prior year. This business is targeting a record 64 sites in 2023, with 53 already secured as at the date of signing these financial statements.

## **Graduation Topco Limited**

### **Strategic report for the year ended 31 October 2022 (Continued)**

#### **DIRECTORS STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE GROUP**

Section 172 of the Companies Act 2006 requires the directors of the Group to act in the way that they consider, in good faith, would most likely promote the success of the Group for the benefit of its owners and stakeholders.

In doing so section 172 requires a director to have regard (amongst other matters) to:

- a) The likely consequences of any decisions in the long-term.
- b) The interest of the company's employees.
- c) The need to foster the company's business relationships with suppliers, customers and others.
- d) The impact of the company's operations on the community and environment.
- e) The desirability of the company maintaining a reputation for high standards of business conduct.
- f) The need to act fairly as between members of the company.

The directors of Graduation Topco Limited delegate authority for the day to day management of the Group to the senior leadership team and then engage management in setting, approving and overseeing execution of the business strategy and related policies.

The directors have set out below some examples of how Graduation Topco Limited have had regards to the matters set out in section 172(1)(a)-(f) when discharging our section 172 duty.

The core purpose of the Group is to provide life-changing adventures across our businesses and this is driven by our core values:


- We have integrity - a moral compass that never wavers.
- We are courageous, bold, energetic and industry-defining.
- We insist on inclusivity; creating equal opportunities without hesitation.
- We constantly nurture, support and care for each other by encouraging growth.

The Group prides itself on being a great place to work and we aspire to increase our recognition as such a business. This has been driven by our intent to attract and develop the very best people. We have made significant strides in positioning ourselves to be recognised as a great place to work through the development of a new diversity and inclusion strategy; a commitment to driving flexibility in the workplace post-pandemic; and the introduction of our health and wellbeing strategy focusing on both mental and physical health, which is supported by the introduction of mental health first aiders right across our business.

The Group continues to be an active participant in our industry, being closely aligned to a number of external bodies and networking to bring the change our industry needs. These bodies include the Institute for Outdoor learning, EFSA, Department for Education, Ofsted, and COLiC. We recognise the importance of being closely aligned with our industry and relationships with schools and other learning institutions have become invaluable for us to achieve our mission.

The Group has partnered with Spread a Smile charity who support and engage with children during the most traumatic experiences in hospital, by providing entertainment and fun during hospital stays. The organisation supports Spread a Smile by raising brand awareness through partnerships and our teams taking part in a number of activities to raise much-needed funds to support their great work.

On behalf of the board



**N Hales**

Director

28 February 2023

## **Graduation Topco Limited**

### **Directors' report for the year ended 31 October 2022**

The directors present their report and the audited consolidated financial statements for the year ended 31 October 2022.

#### **Results and dividends**

The consolidated comprehensive loss for the financial year amounted to £5,805,000 (2021: loss of £14,151,000) after exceptional costs of £310,000 (2021: £564,000). See note 7 for detail on exceptional costs. Details of other income can be found in note 6 to the accounts. The directors have not recommended a dividend (2021: £nil).

#### **Employee involvement**

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the group as a whole.

#### **Employment of disabled persons**

The group has continued its policy regarding the employment of disabled persons. Full and fair consideration is given to applications for employment made by disabled persons having regard to their particular aptitude and abilities. Appropriate training is arranged for disabled persons, including the retraining for alternative work of employees who may become disabled, to promote their career development within the organisation.

#### **Directors**

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

A Williamson  
M Robinson  
N Hales

#### **Directors' and officers' indemnity insurance**

The Group 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 year and also at the date of approval of the financial statements. Neither the company's indemnity nor insurance provides cover in the event that a director is proved to have acted fraudulently or dishonestly.

#### **Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Group and parent Company 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 they have elected to prepare the Group and parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

## Graduation Topco Limited

### Directors' report for the year ended 31 October 2022 (continued)

#### Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements (continued)

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

#### Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

#### Greenhouse Gas emissions, energy consumption and energy efficiency

The below disclosure relates to Kingswood Learning and Leisure Group Limited, a subsidiary of the Group.

	31 October 2022 kWh	31 October 2021 kWh
<b>UK Energy consumed:</b>		
Electricity used	3,447,376	2,101,385
Gas consumption	7,792,160	7,175,538
Fuel consumption	204,397	39,364
	31 October 2022 Tonnes CO2	31 October 2021 Tonnes CO2
<b>UK Emissions from:</b>		
Centres	1,331	968
Office and Staff Accommodation	748	786
Mileage	49	9
	31 October 2022 Ratio	31 October 2021 Ratio
<b>Company's Chosen Intensity Measurement</b>		
Total CO2 emissions per £m Revenue *	49.1	101.3

\* The Total CO2 emissions per £m Revenue are higher in 2021 than we would normally anticipate due to the reduced revenue caused by the Covid-19 pandemic.



## **Graduation Topco Limited**

### **Directors' report for the year ended 31 October 2022 (continued)**

#### **Greenhouse Gas emissions, energy consumption and energy efficiency (continued)**

Consumption data was determined by using meter data and estimated fuel usage based on mileage claims.

Emissions were determined by applying UK government conversion factors to the energy consumption values and aggregating the total.

#### **Carbon Reduction Projects**

- AMR Meters - We have installed AMR meters across the business which allows the monitoring of usage on a live basis.
- LED Fittings - As part of a gradual replacement plan we are ensuring that any lights that fail or are replaced as part of a refurbishment plan are replaced with energy efficient LED fittings to reduce consumption. At our Grosvenor Hall centre 90% of accommodation lighting has been upgraded as a result of this initiative.
- Biodiversity Projects – We collaborated with the Woodland Trust to receive a community tree pack containing over 400 stems of hardy British native trees. These trees will be c.6ft in eight years, sequestering carbon throughout their growth which helps with offsetting business emissions.
- Reduction in travel - The Group is committed to taking forward the positive learnings from the Covid-19 pandemic by continuing with a marked reduction in travel and conducting a large amount of meetings online, which will reduce travel emissions significantly.

In the future we hope to implement many further measures including, but not limited to, the following:

- Transition of our fleet of vehicles from petrol or diesel to electric.
- Installation of renewable energy generators, predominantly solar panels.
- Transition electric supplies to a higher percentage originating from green energy.
- Complete the transition of all lighting to energy efficient LEDs.
- Upgrade our property portfolio to EPC ratings of B or higher by 2030.
- Increase carbon offsetting by planting of trees at our multi-acre centres.
- Implement a zero waste to landfill policy at all of our centres and businesses within the Group.

#### **Statement of disclosure of information to auditors**

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

#### **Independent auditors**

KPMG 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



N Hales  
Director  
One Jubilee Street, 2<sup>nd</sup> Floor  
Brighton  
East Sussex  
BN1 1GE

28 February 2023

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRADUATION TOPCO LIMITED

### Opinion

We have audited the financial statements of Graduation Topco Limited ("the Company") for the year ended 31 October 2022 which comprise the consolidated statement of comprehensive income, consolidated and company balance sheet, consolidated and company statement of changes in equity, consolidated cash flow statements and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 October 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRADUATION TOPCO LIMITED (CONTINUED)**

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls.

The presumed fraud risk related to revenue recognition has been rebutted due to sales being simple with no judgement existing in the revenue recognition process.

We did not identify any additional fraud risks.

In determining the audit procedures we took into the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls.

We performed procedures including identifying journal entries to test based on high risk criteria and comparing the identified entries to supporting documentation. These included unusual account pairings to expenses and cash, as well as postings by unexpected users.

#### *Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRADUATION TOPCO LIMITED (CONTINUED)**

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, and employment law, recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Strategic report and directors' report**

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

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

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

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

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

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

We have nothing to report in these respects.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRADUATION TOPCO LIMITED (CONTINUED)**

### **Directors' responsibilities**

As explained more fully in their statement set out on page 5-7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.


### **Auditor's responsibilities**

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

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

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

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

  
**Timothy Rush (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
1 Forest Gate  
Brighton Road  
Crawley  
RH11 9PT  
28 February 2023

## Graduation Topco Limited

### Consolidated statement of comprehensive income for the year ended 31 October 2022

		2022	2021
	Note	£'000	£'000
Turnover	5	43,299	17,410
Cost of sales		(18,911)	(10,085)
<b>Gross profit / (loss)</b>		<b>24,388</b>	<b>7,325</b>
Exceptional administrative costs	7	(310)	(564)
Amortisation	7	(7,564)	(7,596)
Other administrative expenses	7	(20,532)	(15,191)
Total administrative expenses		(28,406)	(23,351)
Other income	6	2,050	5,286
<b>Operating loss</b>	7	<b>(1,968)</b>	<b>(10,740)</b>
Profit/(Loss) from interests in joint ventures	11	35	(120)
<b>Loss before interest and taxation</b>		<b>(1,933)</b>	<b>(10,860)</b>
Interest receivable and similar income	12	13	10
Interest payable and similar expenses	13	(4,157)	(3,380)
<b>Loss before taxation</b>		<b>(6,077)</b>	<b>(14,230)</b>
Tax on loss	14	87	-
<b>Loss for the financial period</b>		<b>(5,990)</b>	<b>(14,230)</b>
<b>Other comprehensive income:</b>			
Actuarial gain on pension scheme	27	247	105
Deferred tax attributable to actuarial gain	25	(62)	(26)
<b>Total comprehensive loss for the period</b>		<b>(5,805)</b>	<b>(14,151)</b>

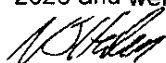
The notes on pages 17 to 47 form an integral part of these financial statements.

## Graduation Topco Limited

### Consolidated balance sheet as at 31 October 2022

		2022	2021
	Note	£'000	£'000
<b>Non current assets</b>			
Intangible assets	15	30,224	35,977
Tangible assets	16	45,000	39,637
Investments in joint venture	17	83	48
Pension asset under defined benefit schemes	27	17	-
		<b>75,324</b>	<b>75,662</b>
<b>Current assets</b>			
Inventories	18	499	134
Debtors	19	9,055	9,212
Cash at bank and in hand		3,372	2,324
		<b>12,926</b>	<b>11,670</b>
Creditors: amounts falling due within one year	20	(16,799)	(16,549)
<b>Net current liabilities</b>		<b>(3,873)</b>	<b>(4,879)</b>
<b>Total assets less current liabilities</b>		<b>72,170</b>	<b>70,783</b>
Creditors: amounts falling due after more than one year	21	(61,399)	(52,558)
Provisions for liabilities	26	(354)	(2,497)
Pension obligation under defined benefit schemes	27	-	(225)
<b>Net assets</b>		<b>9,698</b>	<b>15,503</b>
<b>Capital and reserves</b>			
Called up share capital	29	71	71
Share premium		38,916	38,916
Other Equity reserve	30	58,647	58,647
Retained earnings		(87,936)	(82,131)
<b>Total equity</b>		<b>9,698</b>	<b>15,503</b>

The financial statements on pages 12 to 47 were authorised for issue by the board of directors on 28 February 2023 and were signed on its behalf by:



**N Hales**  
Director

The notes on pages 17 to 47 form an integral part of these financial statements.

**Graduation Topco Limited**  
**Company balance sheet as at 31 October 2022**

		2022	2021
	Note	£'000	£'000
<b>Fixed assets</b>			
Investments	17	54,336	54,336
<b>Current assets</b>			
Debtors: amounts falling due within one year	19	861	861
Creditors: amounts falling due within one year	20	(560)	(550)
<b>Net current assets</b>		301	311
<b>Total assets less current liabilities and Net assets</b>		<b>54,637</b>	<b>54,647</b>
<b>Capital and reserves</b>			
Called up share capital	29	71	71
Share premium		38,916	38,916
Other equity reserve	30	58,647	58,647
Retained earnings		(42,997)	(42,987)
<b>Total equity</b>		<b>54,637</b>	<b>54,647</b>

The financial statements on pages 12 to 47 were authorised for issue by the board of directors on 28 February 2023 and were signed on its behalf by:



**N Hales**  
Director

The notes on pages 17 to 47 form an integral part of these financial statements.



## Graduation Topco Limited

### Consolidated statement of changes in equity

	Called-up share capital	Share premium	Capital contribution reserve	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000
<b>At 31 October 2020</b>	<b>71</b>	<b>38,916</b>	<b>58,647</b>	<b>(67,980)</b>	<b>29,654</b>
Loss for the year	-	-	-	(14,230)	(14,230)
Actuarial gain on defined benefit pension	-	-	-	105	105
Deferred tax on actuarial gain	-	-	-	(26)	(26)
<b>At 31 October 2021</b>	<b>71</b>	<b>38,916</b>	<b>58,647</b>	<b>(82,131)</b>	<b>15,503</b>
Loss for the year	-	-	-	(5,990)	(5,990)
Actuarial gain on defined benefit pension	-	-	-	247	247
Deferred tax on actuarial gain	-	-	-	(62)	(62)
<b>At 31 October 2022</b>	<b>71</b>	<b>38,916</b>	<b>58,647</b>	<b>(87,936)</b>	<b>9,698</b>

### Company statement of changes in equity

	Called-up share capital	Share premium	Capital contribution reserve	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000
<b>At 31 October 2020</b>	<b>71</b>	<b>38,916</b>	<b>58,647</b>	<b>(42,941)</b>	<b>54,693</b>
Loss for the year	-	-	-	(46)	(46)
<b>At 31 October 2021</b>	<b>71</b>	<b>38,916</b>	<b>58,647</b>	<b>(42,987)</b>	<b>54,647</b>
Loss for the year	-	-	-	(10)	(10)
<b>At 31 October 2022</b>	<b>71</b>	<b>38,916</b>	<b>58,647</b>	<b>(42,997)</b>	<b>54,637</b>

The notes on pages 17 to 47 form an integral part of these financial statements.

## Graduation Topco Limited

### Consolidated cash flow statement for the year ended 31 October 2022

	Note	2022 £'000	2021 £'000
<b>Net cash inflows / (outflows) from operating activities</b>	31	<b>5,424</b>	<b>(2,532)</b>
Taxation paid		(59)	-
<b>Net cash generated from operating activities</b>		<b>5,365</b>	<b>(2,532)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	16	(6,595)	(2,297)
Purchase of intangible assets	15	(351)	(101)
Acquisition of subsidiary (net of cash acquired)	35	(1,510)	320
<b>Net cash used in investing activities</b>		<b>(8,456)</b>	<b>(2,078)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(1,405)	(834)
Net increase in term and bank loans	24	5,544	2,000
<b>Net cash generated from financing activities</b>		<b>4,139</b>	<b>1,166</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1,048</b>	<b>(3,444)</b>
Cash and cash equivalents at the beginning of the period		2,324	5,768
<b>Cash and cash equivalents at the end of the period</b>		<b>3,372</b>	<b>2,324</b>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		3,372	2,324
<b>Cash and cash equivalents</b>		<b>3,372</b>	<b>2,324</b>

The notes on pages 17 to 47 form an integral part of these financial statements.

## **Graduation Topco Limited**

### **Notes to the financial statements for the year ended 31 October 2022**

#### **1. Company information**

Graduation Topco 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 Group and company financial statements of Graduation Topco 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 periods shown unless otherwise stated.

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

The Group financial statements of Graduation Topco 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 Group 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 Topco Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

##### **Going concern**

The Group has net assets of £9,698,000 (2021: net assets of £15,503,000) and net current liabilities of £3,873,000 (2021: £4,879,000). The Group made a loss for the year of £5,805,000 (2021: loss of £14,151,000) which is primarily driven by interest expense of £4,157,000 (2021: £3,380,000).

Notwithstanding the net current liability position the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The directors have performed a going concern assessment covering a period for at least twelve months from the date of approval of these financial statements. In doing so they have considered cash flow forecasts prepared for the period up to March 2024.

The directors have considered the level of bank facilities available to the Company and the Group, and its compliance with bank covenant tests both during the period and for future periods.

The Group meets its day-to-day working capital requirements from the positive cash flows generated by its trading activities and its available cash resources (£3,372,000 as of 31 October 2022) (2021: £2,324,000). During the year, these were supplemented when required by additional drawings under the Group's revolving credit facility. At 31 October 2022 this amounted to £7.0m of which is fully drawn. The revolving credit facility repayment date was extended on 7 February 2023 and is not due for repayment until 30 April 2024.

## **Graduation Topco Limited**

### **Notes to the financial statements for the year ended 31 October 2022 (continued)**

#### **3. Accounting policies (continued)**

During the year, the Group's long term funding loans (see note 24) comprised term loans of £27,202,000 (2021: £21,068,000) (net of deferred financing fees) with term loans which are not due for repayment before October 2024.

The base forecast reflects continuing growth from existing customers as well as revenue from new customers compared to the year to 31 October 2022, principally driven off contracted and known revenue and an increase in the base cost. The directors have also considered a severe but plausible downside scenario which assumed a significant reduction in EBITDA compared to actual experience in the year to 31 October 2022.

These forecasts indicate, taking into account of reasonable possible downsides, the Company and the Group will comply with the loan covenants and have sufficient funds to meet its liabilities as they fall due for that period.

Consequently, the directors are confident that the Company and Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

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

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

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

(ii) the requirement to prepare a company statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows.

#### **Basis of consolidation**

The Group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

#### **Turnover**

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

Revenue relating to educational visits at one of the Group's centres is recognised on arrival at the centre.

Deposits received in advance for educational visits commencing after the period end are included within deferred income. Other income, excluding Value Added Tax, is recognised at date of sale.

A new revenue stream arose in the prior year where the Group purchased a number of tickets to various events and attractions from third parties for use by an end customer.

The Group was deemed to be the principal in these transactions as it was exposed to the significant risks and rewards associated with the rendering of services. These transactions were therefore recognised on a gross basis. Revenue was recognised on the date the tickets purchased were to be used.

## **Graduation Topco Limited**

### **Notes to the financial statements for the year ended 31 October 2022 (continued)**

#### **3. Accounting policies (continued)**

##### **Other income**

Other income is recognised on an accruals basis. It is made up of local government grant income, staff deductions made for food and accommodation provided, and income from customer lost deposits.

##### **Defined contribution pension scheme**

The Group make payments to individual pension plans and operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the sponsoring company.

##### **Defined benefit pension scheme**

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the sponsoring company, in a separate trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate to the scheme liabilities.

The actuarial valuations are prepared on a triennial basis and updated annually. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

##### **Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in arriving at the profit or loss for the period, 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 period or prior periods. 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.

## **Graduation Topco Limited**

### **Notes to the financial statements for the year ended 31 October 2022 (continued)**

#### **3. Accounting policies (continued)**

##### ***Deferred tax***

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

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

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

##### **Foreign currency translation**

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which they operate (its functional currency). For the purpose of the consolidated financial statements, the results and financial position are presented in Sterling (£).

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

##### **Exceptional items**

Exceptional items represents items of a material nature requiring separate disclosure in the consolidated statement of comprehensive income. Materiality for exceptional items is determined by reference to its size or nature, or a combination of both.

##### **Business combinations and goodwill**

*Business combinations are accounted for by applying the purchase method.*

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values of the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life, which is considered by the directors to be 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement.

## **Graduation Topco Limited**

### **Notes to the financial statements for the year ended 31 October 2022 (continued)**

#### **3. Accounting policies (continued)**

##### **Intangible assets**

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

Trademarks	- lower of the life of the trademark or 10 years straight line
Customer relationships	- 10 years straight line
Internally generated software	- 3 - 5 years straight line
Website development costs	- 4 years straight line

*The amortisation periods selected for intangible assets are in line with management's assessment of the useful economic life of those assets.*

Amortisation is charged to Administrative expenses in the statement of comprehensive income.

Where factors such as technological advances or changes in market conditions, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rates are changed to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

##### **Website development costs**

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

##### **Tangible fixed assets**

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs attributable to bring the asset to its working condition for its intended use, dismantling and restoration costs.

##### **Depreciation**

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

Leasehold property	- lower of lease period or 50 years straight line
Leasehold property improvements	- lower of lease period or assets useful economic life
Plant and machinery	- 3 - 10 years straight line

##### **Investment**

Investments in subsidiary undertakings are included at cost less any impairment. Investments in joint venture are initially recognised at the transaction price and subsequently adjusted to reflect the company's share of the profit or loss, other comprehensive income and equity of the associate.

## **Graduation Topco Limited**

### **Notes to the financial statements for the year ended 31 October 2022 (continued)**

#### **3. Accounting policies (continued)**

##### **Impairment of assets**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate based upon the company's weighted average cost of capital that reflects current market assessments of the time value of money and the risks specific to the cost generating unit.

An impairment loss is reversed if there has been a change in external economic conditions. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts that are applicable are shown within current liabilities.

##### **Inventories**

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

##### **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.

##### **Provisions**

Provisions are measured at the amount that the business would rationally pay to settle the obligation at the end of the reporting period or to transfer it to a third party at that time. Risks and uncertainties are taken into account in measuring a provision.

##### **Related Parties**

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.



## **Graduation Topco Limited**

### **Notes to the financial statements for the year ended 31 October 2022 (continued)**

#### **3. Accounting policies (continued)**

##### **Lease agreements**

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

##### ***(i) Finance leases***

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

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease.

Where the implicit rate cannot be determined the Group's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

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

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

##### ***(ii) Sales and leaseback***

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

##### ***(iii) Operating leases***

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

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.

Assets acquired under finance leases are included in fixed assets and depreciated over the shorter of the lease period or their expected useful economic lives. The capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements.

The capital element is applied to reduce the outstanding obligations and the interest element is charged to the profit and loss account so as to give a constant rate of charge on the remaining balance of each accounting period.

## **Graduation Topco Limited**

### **Notes to the financial statements for the year ended 31 October 2022 (continued)**

#### **3. Accounting policies (continued)**

##### **Financial Instruments**

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### **(i) Financial assets**

Other than derivatives, the Group has basic financial assets. Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### **(ii) Financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group companies are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

## **Graduation Topco Limited**

### **Notes to the financial statements for the year ended 31 October 2022 (continued)**

#### **3. Accounting policies (continued)**

##### ***(iii) Offsetting***

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

##### **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.

#### **4. Critical accounting judgements and estimation uncertainty**

##### **Key accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual facts. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

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.

##### ***(i) Useful economic life of tangible assets***

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates. See note 16 for the carrying amount of the tangible assets, and note 3 for the useful economic lives for each class of assets.

##### ***(ii) Impairment of intangible assets, including goodwill***

The Group makes an estimate of the fair value of intangibles and goodwill. When assessing impairment of intangibles and goodwill, management considers factors including the carrying amount of assets, current projections and future cashflows.

##### ***(iii) Useful economic life of Intangible Assets***

The directors consider the useful economic life of goodwill to be 10 years. See note 15 for the net carrying amount of the goodwill.

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 5. Turnover

The turnover is attributable to the principal activities of the Group.

	2022	2021
	£'000	£'000
Sale of goods	679	188
Rendering of services	42,620	17,222
	<b>43,299</b>	<b>17,410</b>

The directors consider that the disclosure of a geographical analysis by destination of turnover would be prejudicial to the Group.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit or Loss Account in these financial statements. The loss after tax of the parent Company for the year was £10,000 (2021: loss £46,000)

#### 6. Other Income

	2022	2021
	£'000	£'000
Coronavirus Job Retention Scheme (Grant income)	-	2,180
Local government grant (Grant income)	23	603
Retained deposits	964	2,387
Food & Accommodation Recovery income	314	116
Other income	749	-
	<b>2,050</b>	<b>5,286</b>

#### 7. Operating loss

	2022	2021
	£'000	£'000
<b>Operating loss is stated after charging:</b>		
Depreciation of tangible fixed assets (Note 16)	2,410	1,932
Amortisation of intangible assets (Note 15)	7,564	7,596
Operating lease costs (Note 28)	1,063	645
<i>Exceptional costs</i>		
	2022	2021
	£'000	£'000
Exceptional costs	310	564

As in the prior year, the 2022 exceptional costs of £310,000 in the year ended 31 October 2022 (2021: £564,000) related to new site acquisition costs.

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 8. Auditor's remuneration

	2022	2021
	£'000	£'000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	55	55
Fees payable to the company's auditor and its associates for the audit of the subsidiaries' annual accounts and consolidation	49	55
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Taxation compliance and advisory services	75	62

#### 9. Employee information

The average monthly number of persons, including directors, employed by the Group during the period was:

	2022	2021
	Number	Number
<b>By activity:</b>		
Administration	152	177
Activity centres and support	1,013	627
	<b>1,165</b>	<b>804</b>

The aggregate payroll costs of these persons were as follows:

	2022	2021
	£'000	£'000
Wages and salaries	18,250	12,574
Social security costs	1,379	923
Pension costs	248	202
	<b>19,877</b>	<b>13,699</b>

The Group operates a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company to the funds and amounted to £248,000 (2021: £202,000). A total of £58,000 (2021: £41,000) was payable to the funds at the year end.

Within the Group, Kingswood Colomendy Limited is a participant member of the Merseyside Pension Fund, a multi-employer defined benefit pension scheme. The latest triennial valuation of the scheme was carried out as at 31 March 2019 and has been updated to 31 October 2022 by a qualified independent actuary in accordance with the requirements of FRS102. See note 27.

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 10. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2022	2021
	£'000	£'000
Aggregate directors' emoluments	823	662
	823	662

3 directors (2021: 3) were members of a defined contribution scheme. The highest paid director's total emoluments were £492,000 (2021: £400,000), including contributions to defined contribution pension schemes of £11,000 (2021: £nil).

#### 11. Associated undertaking

The profit recognised in respect of the Group's investment in joint venture was as follows:

	2022	2021
	£'000	£'000
Share of profit / (loss)	35	(120)
	35	(120)

As at 31 October 2022 the Group held a 51% investment in Inspiring Learning Summerhill Education Technology (Shanghai) Co., Limited, a joint venture providing day camps in Shanghai.

#### 12. Interest receivable and similar income

	2022	2021
	£'000	£'000
Other interest (note 27)	13	10
	13	10

#### 13. Interest payable and similar expenses

	2022	2021
	£'000	£'000
Senior debt interest	3,048	2,330
Finance lease interest	933	935
Bank interest	159	100
Other interest	17	15
	4,157	3,380

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 14. Income tax

##### a) Tax expense

	2022 £'000	2021 £'000
Current tax:		
Corporation tax charge in respect of current periods	2	26
Total current tax	2	26
Deferred tax:		
Deferred tax in respect of current year	(89)	(26)
Total deferred tax (credit) /charge	(89)	(26)
Tax credit on loss	(87)	-

##### (b) Reconciliation of tax charge

Tax assessed for the period differs to the standard rate of corporation tax in the UK for the year ended 31 October 2022 of 19% (2021: 19%). The differences are explained below:

	2022 £'000	2021 £'000
Loss before tax	(6,077)	(14,230)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	(1,155)	(2,704)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation	61	138
Impact of overseas tax rates	4	(3)
Non-deductible amortisation	795	779
Tax on pre-acquisition profit of subsidiaries acquired in the year	-	9
Difference in tax rates	(123)	940
Deferred tax asset recognised on brought forward losses	(265)	(338)
Unrecognised losses carried forward	596	1,179
Tax credit for the period	(87)	-

##### (c) Tax rate changes

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax asset at 31 October 2022 has been calculated based on these rates, reflecting the expected timing of reversal of the related temporary differences (2021: 25%).

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 15. Intangible assets

	Trademarks	Customer relationships	Internally generated software	Goodwill	Website development costs	Total
Group	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 November 2021	2,529	29,801	1,605	39,661	26	73,622
Additions	-	-	351	1,460	-	1,811
<b>At 31 October 2022</b>	<b>2,529</b>	<b>29,801</b>	<b>1,956</b>	<b>41,121</b>	<b>26</b>	<b>75,433</b>
<b>Accumulated amortisation</b>						
At 1 November 2021	1,254	14,900	1,448	20,017	26	37,645
Charge for period	251	2,980	152	4,181	-	7,564
<b>At 31 October 2022</b>	<b>1,505</b>	<b>17,880</b>	<b>1,600</b>	<b>24,198</b>	<b>26</b>	<b>45,209</b>
<b>Net book amount</b>						
<b>At 31 October 2022</b>	<b>1,024</b>	<b>11,921</b>	<b>356</b>	<b>16,923</b>	<b>-</b>	<b>30,224</b>
At 31 October 2021	1,275	14,901	157	19,644	-	35,977

The company has no intangible assets as at 31 October 2022.



## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 16. Tangible assets

	Leasehold property	Leasehold property improvements	Freehold Property	Plant and machinery	Total
Group	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 November 2021	26,550	21,614	-	5,840	54,004
Assets acquired on acquisition	873	165	-	140	1,178
Additions	-	4,336	333	1,926	6,595
Disposals	-	-	-	-	-
<b>At 31 October 2022</b>	<b>27,423</b>	<b>26,115</b>	<b>333</b>	<b>7,906</b>	<b>61,777</b>
<b>Accumulated depreciation</b>					
At 1 November 2021	2,593	7,941	-	3,833	14,367
Charge for year	569	708	3	1,130	2,410
Disposals	-	-	-	-	-
<b>At 31 October 2022</b>	<b>3,162</b>	<b>8,649</b>	<b>3</b>	<b>4,963</b>	<b>16,777</b>
<b>Net book amount</b>					
<b>At 31 October 2022</b>	<b>24,261</b>	<b>17,466</b>	<b>330</b>	<b>2,943</b>	<b>45,000</b>
At 31 October 2021	23,957	13,673	-	2,007	39,637

The company has no tangible assets as at 31 October 2022.

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 17. Investments

	Group £'000	Company £'000
Cost and net book value as at 1 November 2021	48	54,336
Share of profit from joint venture	35	-
Cost and net book value as at 31 October 2022	<b>83</b>	<b>54,336</b>

During the year the Group acquired The Ultimate Adventure Centre Limited, an outdoor activity centre based in Devon. See Note 35 for further detail.

At 31 October 2022 the subsidiaries incorporated in England & Wales and 100% owned were as follows:

Entity name	Principal activity	County of incorporation
Graduation Midco Limited * †	Non trading sub holding company	United Kingdom
Graduation Interco Limited †	Non trading sub holding company	United Kingdom
Graduation Holdco Limited †	Non trading sub holding company	United Kingdom
Graduation Bidco Limited †	Non trading sub holding company	United Kingdom
Inspiring Learning Services Limited †	Non trading sub holding company	United Kingdom
Inspiring Learning (Holdings) Limited †	Non trading sub holding company	United Kingdom
Inspiring Learning Limited †	Non trading sub holding company	United Kingdom
Outdoor Educational (Holdings) Limited	Non trading sub holding company	United Kingdom
Kingswood Educational Group Limited	Non trading sub holding company	United Kingdom
Inspiring Learning Asia Limited †	Non trading sub holding company	United Kingdom
In2Action Limited	Activity and training provider	United Kingdom
Camp Beaumont Day Care Limited	Day care camps	United Kingdom
Kingswood Day Camps Limited	Non-trading subsidiary	United Kingdom
Kingswood Learning and Leisure Group Limited	Educational visits	United Kingdom
The Ultimate Adventure Centre Limited	Educational visits	United Kingdom
Britannia Coach Services Limited	Coach travel supporting educational visits	United Kingdom
Kingswood Colomendy Limited	Educational visits	United Kingdom
Skern Lodge Limited	Educational visits	United Kingdom
Kingswood Centre Limited	Dormant	United Kingdom
Kingswood (Isle of Wight) Limited	Dormant	United Kingdom
London Day Camps Limited	Dormant	United Kingdom
CB (Oldco) Limited	Dormant	United Kingdom

The registered address for the listed subsidiaries is 1 Jubilee Street, 2nd Floor, Brighton, BN1 1GE

\* Directly held

† These subsidiaries are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as this company has guaranteed the subsidiary companies under Section 479C of the Act.

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 17. Investments (continued)

At 31 October 2022 the subsidiaries incorporated overseas and 100% owned were as follows:

Entity name	Principal activity	County of incorporation
Camp Beaumont Hong Kong Limited	Day care camps	Hong Kong, China
Camp Beaumont PTE Limited	Day care camps	Singapore

The registered address for the Camp Beaumont Hong Kong Limited is 21st Floor, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong.

The registered address for the Camp Beaumont PTE Limited is 491B River Valley Road, #15-01, Valley Point, Singapore (248373).

At 31 October 2022 the joint venture, 51% owned by the Group and incorporated in China was as follows:

Entity Name	Principal Activity
Inspiring Learning Summerhill Education Technology (Shanghai) Co., Limited	Day Care Camps

The registered address for the above company is 5<sup>th</sup> Floor, No. 310, Jingao Road, Pudong, China.

The directors consider the value of the investments to be supported by their underlying assets and cashflows.

#### 18. Inventories

	2022	2021
Group	£'000	£'000
Goods for resale	499	134

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

Stock of £463,000 (2021: £95,000) was charged to the profit and loss account in the period including write offs in the period of £nil (2021: £nil).

The company does not hold any inventories as at 31 October 2022.

#### 19. Debtors

	Group	Company	Group	Company
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Trade debtors	4,923	-	5,057	-
Amounts owed by parent company (note 34)	2,472	501	2,461	501
Amounts owed by Group undertakings (note 34)	-	360	-	360
Other debtors	565	-	473	-
Prepayments	1,095	-	1,221	-
	9,055	861	9,212	861

Amounts owed by Group undertakings are unsecured, interest free and have no fixed date of repayment.

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

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

	Group 2022	Company 2022	Group 2021	Company 2021
	£'000	£'000	£'000	£'000
Trade Creditors	4,894	-	3,605	-
Corporation tax	27	-	47	-
Amounts due under finance lease (note 23)	3	-	3	-
Amounts owed to Group undertakings (note 34)	-	560	-	550
Other creditors	2,158	-	1,298	-
Taxation and social security	810	-	1,441	-
Accruals and deferred income	8,907	-	10,155	-
	<b>16,799</b>	<b>560</b>	<b>16,549</b>	<b>550</b>

Amounts owed to group undertakings are repayable on demand.

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

	2022 £'000	2021 £'000
Amounts due under finance lease (note 23)	26,530	26,534
Term and bank loans (note 24)	34,202	26,024
Other creditors	667	-
	<b>61,399</b>	<b>52,558</b>

Other creditors is made up of deferred consideration in respect to the acquisition of The Ultimate Adventure Centre Limited. See Note 35.

The company does not have any creditors falling after more than one year as at 31 October 2022.

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 22. Financial instruments

	2022	2021
Group	£'000	£'000
Financial assets measured at amortised cost:		
Trade debtors	4,923	5,057
Other debtors	565	473
	<b>5,488</b>	<b>5,530</b>
Financial liabilities measured at amortised cost:		
Term and bank loans	(34,202)	(26,024)
Trade creditors	(4,894)	(3,605)
Other creditors	(2,158)	(1,298)
Amounts due under finance leases	(26,533)	(26,537)
Accruals	(2,556)	(2,814)
	<b>(70,343)</b>	<b>(60,278)</b>

#### Trade and other debtors / creditors

Amounts relate to trading balances and are payable according to standard business terms, are unsecured and interest free.

#### Amounts owed by/to Group undertakings

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

#### Amounts due under finance leases

Of the above amounts £24,984,000 relate to amounts due under the sales and finance leaseback transaction entered into in the year ended 31 October 2016. The term of the lease is 175 years and the interest rate implicit in the arrangement is 3.57% per annum. A second sale and leaseback transaction of £1,549,000 was entered into in 2018. The term of the lease is 175 years and the interest rate implicit in the arrangement is 3.51% per annum.

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 23. Amounts due under finance leases

	2022	2021
<b>Group</b>	<b>£'000</b>	<b>£'000</b>
Amounts due under finance leases	<b>26,533</b>	26,537
Future minimum payments under finance leases are as follows:		
<b>Group</b>	<b>2022</b>	2021
	<b>£'000</b>	<b>£'000</b>
Within one year	<b>3</b>	3
Between two and five years	<b>12</b>	12
Over five years	<b>26,518</b>	26,522
Total gross payments	<b>26,533</b>	26,537

Of the above amounts £24,984,000 relate to amounts due under the sales and finance leaseback transaction entered into in the year ended 31 October 2016. The term of the lease is 175 years and the interest rate implicit in the arrangement is 3.57% per annum. A second sale and leaseback transaction of £1,549,000 was entered into in 2018. The term of the lease is 175 years and the interest rate implicit in the arrangement is 3.51% per annum.

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 24. Loans and other borrowings

Group	2022 £'000	2021 £'000
Principal term loans	22,000	18,500
Rolled up bank term interest	5,202	2,568
Revolving credit facility	7,000	4,956
<b>Total loans and other borrowings</b>	<b>34,202</b>	<b>26,024</b>

Term loans amounting to £22,000,000 (2021: £18,500,000) are repayable in October 2024 (2021: October 2024). Loan value of £15,000,000 accrued PIK interest of 11% up to October 2021, and cash interest at SONIA+ 8% after October 2021 and is secured on the assets of the Group. Loan value of £3,500,000 was drawn down during the year, carrying a commitment fee of 2.8% while undrawn and accruing PIK interest at SONIA+ 8% once drawn. Loan value of £3,500,000 accrued PIK interest of 9% up to October 2021, and cash interest at SONIA+ 7.5% after October 2021 and is secured on the assets of the Group. The increase of £3,500,000 from prior year relates to an additional £3,500,000 balance being drawn down from existing available facilities. The Group continues to have a PIK toggle option on the senior debt post October 2021.

During the period £2,954,000 (2021: £1,947,000) of loan interest was charged to P&L at a rate of 11.3%.

A revolving credit facility amounting to £7,000,000 (2021: £4,956,000) was drawn down as at 31 October 2022, with the full £7,000,000 repayable in April 2024. The facility carries interest at SONIA+ 4% on drawn down balances up to 31 October 2022 and SONIA + 3% on drawn down balances after 31 October 2022 and a commitment fee of 1.2% for any balance not drawn down up to the facility limit of £7.0m. The facility is secured on the assets of the Group. During the period interest was charged on drawn down balances at a rate of 4.08% resulting in a charge in the period of £202,000 (2021: £204,000).

#### Undrawn facilities

There were no undrawn facilities as at 31 October 2022 (2021: £3,500,000).

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 25. Deferred taxation

The deferred tax asset consists of the tax effect of timing differences in respect of:

	31 October 2022	31 October 2021
Group	£'000	£'000
Deferred tax liability relating to intangible assets	(3,231)	(4,039)
Deferred tax asset relating to pension liability	4	71
Other deferred tax liabilities	(709)	(498)
Deferred tax asset relating to trading losses	3,936	4,466
Total deferred tax asset/(liability)	-	-

The movement in the deferred taxation balance during the year was:

Group	£'000
At 1 November 2021	-
Acquired on acquisition	(27)
Credited to the profit and loss account in the year (note 14)	89
Charged to OCI in the year	(62)
<b>At 31 October 2022</b>	<b>-</b>

The Group has an unrecognised deferred tax asset of £2,998,000 (2021: £1,072,000) relating to trading losses and an unrecognised deferred tax asset of £1,172,000 (2021: £nil) relating to unused capital allowances.

The amount of net reversal of deferred tax expected to occur next year is £nil (2021: £nil) as existing timing differences related to realisation of the defined benefit pension scheme and depreciation in excess of capital allowances are expected to reverse in more than 1 year.

Deferred tax has been calculated using a tax rate of 25% (2021: 25%).

The company has no deferred tax asset as at 31 October 2022.



## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 26. Provision for liabilities

	Deferred Tax (note 25)	Onerous lease	Other Provisions	Total
Group	£'000	£'000	£'000	£'000
At 1 November 2021	-	177	2,320	2,497
Utilised in the year	-	(61)	(377)	(438)
Released in the year	-	-	(1,705)	(1,705)
Charged to the profit & loss	(89)	-	-	(89)
Charged to OCI	62	-	-	62
Created in the year	27	-	-	27
<b>At 31 October 2022</b>	<b>-</b>	<b>116</b>	<b>238</b>	<b>354</b>

##### Onerous lease

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

##### Other Provisions

The majority of other provisions relate to a provision for an insurance claim. Other provisions also includes a provision for vouchers issued to customers following Covid-19 cancellations, the majority of which was released during the year leaving a remaining provision of £41,000 in relation to this.

The company has no provisions as at 31 October 2022.

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 27. Pension commitments

Kingswood Colomendy Limited is a participant member of the Merseyside Pension Fund, a multi-employer defined benefit pension scheme. The latest triennial valuation of the scheme was carried out as at 31 March 2019 and has been updated to 31 October 2022 by a qualified independent actuary in accordance with the requirements of FRS102.

The main assumptions used by the actuary were:

	2022	2021
	%	%
Rate of increase in salaries	4.20	4.40
Rate of increase of pensions in payment	2.80	3.00
Discount rate	5.00	1.80
Inflation rate (CPI)	2.70	2.90

The mortality assumptions used were as follows:

	2022	2021
	Years	Years
Life expectancies for individuals currently aged 65:		
- Men	20.9	21.0
- Women	24.0	24.1
Life expectancies from age 65 for individuals currently aged 45:		
- Men	22.4	22.6
- Women	25.9	26.0

The assets in the scheme and the deficit were:

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 27. Pension commitments (continued)

	Value 2022 £'000	Value 2021 £'000
Equities	324	383
Government bonds	74	10
Other bonds	21	88
Property	78	71
Cash	9	13
Others	183	180
Total market value of assets	689	745
Present value of scheme liabilities	(672)	(970)
Surplus / (deficit) in the scheme	17	(225)

<b>Reconciliation of present value of scheme liabilities:</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Present value of scheme liabilities at the beginning of the year	970	953
Current service cost	13	13
Interest cost	17	15
Member contributions	2	2
Past service cost	-	-
Benefits/transfers paid	(29)	(28)
Actuarial (gains)/losses on liabilities	(301)	15
Present value of scheme liabilities at the end of the year	672	970

<b>Reconciliation of fair value of scheme assets:</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets at the beginning of the year	745	629
Expected return on plan assets	13	10
Actual return less expected return on assets	(54)	120
Employer contributions	12	12
Member contributions	2	2
Benefits/transfers paid	(29)	(28)
Fair value of scheme assets at the end of the year	689	745

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 27. Pension commitments (continued)

Scheme assets do not include any of the Group's own financial instruments, or any property occupied by the Group.

The expected returns on scheme assets have been based on the current split by investment sector of the assets of the scheme, using average expected returns on each sector.

##### Analysis of the amount charged to operating loss:

	2022	2021
	£'000	£'000
Current service cost	13	13
Total operating charge	13	13

##### Analysis of the amount charged to other finance expenses:

	2022	2021
	£'000	£'000
Expected return on pension scheme assets	13	10
Interest on pension scheme liabilities	(17)	(15)
Total finance cost	(4)	(5)

##### Analysis of the amount recognised in statement of comprehensive income:

	2022	2021
	£'000	£'000
Actuarial gain/(loss) on liabilities	301	(15)
Actuarial (loss)/gain on assets	(54)	120
Actuarial gain	247	105

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 28. Operating lease commitments

The Group had the following future minimum lease payments under non-cancellable operating leases expiring in each of the following periods:

	Land and buildings	Other	Total	Land and buildings	Other	Total
	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Not later than one year	635	75	710	476	24	500
Later than one year and not later than five years	2,195	66	2,261	1,335	7	1,342
Later than five years	6,051	-	6,051	4,016	-	4,016
	<b>8,881</b>	<b>141</b>	<b>9,022</b>	<b>5,827</b>	<b>31</b>	<b>5,858</b>

Operating leases relate to land and buildings and car leases. During the year £1,063,000 was recognised as an expense in the profit and loss account in respect of operating leases (2021: £645,000).

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 29. Called up share capital

	2022	2021
	£'000	£'000
<b>Authorised</b>		
1 Ordinary shares of £1 each	-	-
299,990 A1 Ordinary shares of £0.10 each	30	30
100,000 A2 Ordinary shares of £0.10 each	10	10
20,000 B1 Ordinary shares of £1 each	20	20
71,561 B2 Ordinary shares of £0.10 each	7	7
19,689,752 Priority shares of £0.0001 each	2	2
18,458,248 B Deferred shares of £0.0001 each	2	2
	<b>71</b>	<b>71</b>
<b>Allotted and fully paid:</b>		
1 Ordinary shares of £1 each	-	-
299,990 A1 Ordinary shares of £0.10 each	30	30
100,000 A2 Ordinary shares of £0.10 each	10	10
20,000 B1 Ordinary shares of £1 each	20	20
71,561 B2 Ordinary shares of £0.10 each	7	7
19,689,752 Priority shares of £0.0001 each	2	2
18,458,248 B Deferred shares of £0.0001 each	2	2
	<b>71</b>	<b>71</b>

100% of shares are owned by Swift Newco Limited, who have 100% of the voting and distribution rights.

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 30. Capital contribution reserve

	2022	2021
	£'000	£'000
Balance as at 1 <sup>st</sup> November 2021	58,647	58,647
Capital Contribution in the period	-	-
<b>Balance as at 31<sup>st</sup> October 2022</b>	<b>58,647</b>	<b>58,647</b>

In July 2020 the bank loans payable by the Company were restructured. As part of the transaction, the lenders acquired the Group and waived £33,176,000 of the senior debt and £2,494,000 accrued interest. The previous shareholders waived £16,244,000 loan notes and £2,874,000 loan note interest that was payable at that time. The waiver was treated as a capital contribution by the loan note holders in the Company.

#### 31. Notes to the cash flow statement

Reconciliation of operating loss to cash generated by operations:

	2022	2021
	£'000	£'000
<b>Loss for the financial period</b>	<b>(5,990)</b>	<b>(14,230)</b>
Adjustments for:		
Tax on loss	(87)	-
Net interest expense	4,144	3,370
Profit from interests in joint venture	(35)	120
<b>Operating loss</b>	<b>(1,968)</b>	<b>(10,740)</b>
Depreciation	2,410	1,932
Amortisation	7,564	7,596
Loss on disposal	-	12
Net movement in working capital	(439)	(932)
Decrease in provisions	(2,143)	(400)
<b>Net cash inflow / (outflow) from operations</b>	<b>5,424</b>	<b>(2,532)</b>

## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 32. Contingent liabilities

The company is a guarantor, alongside other Group subsidiaries, of the Graduation Topco Limited Group loan facilities. The liabilities concerned amounted to £29,000,000 at 31 October 2022.

There were no other material contingent liabilities at 31 October 2022.

#### 33. Ultimate controlling party

Swift Newco Limited, incorporated in Jersey, is the ultimate parent undertaking.

The company is jointly controlled by certain limited partnerships managed by Crescent Capital Group and Baring Asset Management Limited.

#### 34. Related party transactions

##### Transactions with key management personnel

Total compensation of the directors in the year amounted to £823,000 (2021: £662,000).

As at 31 October 2022 Graduation Topco Limited had the following aggregate related party balances with subsidiaries of the Ultimate parent.

	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Amounts owed by parent company	2,472	501	2,461	501
Amounts owed by Group undertakings	-	360	-	360
<b>Amounts owed by related parties</b>	<b>2,472</b>	<b>861</b>	<b>2,461</b>	<b>861</b>
Amounts owed to Group undertakings	-	(560)	-	(550)
<b>Amount owed to related parties</b>	<b>-</b>	<b>(560)</b>	<b>-</b>	<b>(550)</b>



## Graduation Topco Limited

### Notes to the financial statements for the year ended 31 October 2022 (continued)

#### 35. Acquisition of subsidiary

The Company completed the acquisition of The Ultimate Adventure Centre Limited on 11 April 2022. 100% of share capital was acquired by Kingswood Learning and Leisure Group Limited, a wholly owned subsidiary of Graduation Topco Limited. The consideration for the acquisition constituted a cash payment of £1,500,000 and deferred payments of £1,000,000, with directly attributable costs of £37,000 also being capitalised. Post-acquisition revenue was £846,000 and post-acquisition loss was £24,000. Goodwill of £1,460,000 with a useful expected life of ten years was recognised on acquisition. The following schedule sets out the net assets acquired.

##### Net assets of The Ultimate Adventure Centre Limited on acquisition:

	Book Value	Adjustments	Fair Value
	£'000	£'000	£'000
Tangible fixed assets	1,178	-	1,178
Debtors	26	-	26
Stock	2	-	2
Cash at bank	27	-	27
Loans and borrowings (1)	(907)	907	-
Trade creditors	(1)	-	(1)
Accruals and deferred income	(63)	-	(63)
Other creditors	(65)	-	(65)
Provisions	(27)	-	(27)
<b>Net assets acquired</b>	<b>170</b>	<b>907</b>	<b>1,077</b>
Consideration			2,537
Goodwill			1,460

The adjustments arising on acquisition were in respect of:

1) Payment by parent company to clear down existing debts to nil on acquisition, recognised as capital contribution in The Ultimate Adventure Centre Limited.