

Registered number: 11344401

INSPIRING LEARNING ASIA LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

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INSPIRING LEARNING ASIA LIMITED

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31 October 2021**

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INSPIRING LEARNING ASIA LIMITED

COMPANY INFORMATION FOR THE YEAR ENDED 31 OCTOBER 2021

DIRECTORS:	A Williamson M Robinson (resigned 29 Jun 2021) C McLean (resigned 21 Jan 2021) N Hales (appointed 29 Jun 2021)
REGISTERED OFFICE:	One Jubilee Street Brighton BN1 1GE
REGISTERED NUMBER:	11344401 (England and Wales)
BANKER:	National Westminster Bank plc 135 Bishopsgate London EC2M 3UR
SOLICITOR:	Travers Smith 10 Snow Hill London EC1A 2AL

INSPIRING LEARNING ASIA LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2021

The directors present their strategic report for Inspiring Learning Asia Limited ('the company') for the year ended 31 October 2021.

Business review and future developments

The company was incorporated on 3 May 2018. The principal activity of the company is that of a holding company.

Principal risks and uncertainties and key performance indicators

The directors of Graduation Topco Limited, an intermediate parent undertaking, manage the group's operations on a group wide basis. For this reason, the company's directors believe that disclosure of the principal risks and uncertainties of the company and analysis using key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business of Inspiring Learning Asia Limited. The development, performance and position of Graduation Topco Limited group, which includes this company, is discussed in the annual report of Graduation Topco Limited which does not form part of this report.

On behalf of the board



.....
N Hales
Director
5th April 2022

INSPIRING LEARNING ASIA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2021

The directors present their report and the audited financial statements for Inspiring Learning Asia Limited ('the company') for the year ended 31 October 2021.

RESULTS AND DIVIDENDS

The loss for the year amounted to £95,000 (2020: £15,000). The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT

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

Liquidity risk

The company has access to funding from other group companies such as to ensure it is able to settle its debtors as they fall due.

Credit risk

Credit risk arises where counterparties are unable to meet their payment obligations. Credit risk on receivable balances is considered to be low given that all balances held are with other Group companies.

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 (resigned 29 Jun 2021)
C McLean (resigned 21 Jan 2021)
N Hales (appointed 29 Jun 2021)

DIRECTORS' AND OFFICERS' INDEMNITY INSURANCE

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

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

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INSPIRING LEARNING ASIA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

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

POLITICAL CONTRIBUTIONS

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

On behalf of the board



N Hales
Director
5th April 2022

INSPIRING LEARNING ASIA LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2021

	Note	2021 £	2020 £
Administration costs		-	-
Total administrative expenses		-	-
Interest payable and similar expenses		(95)	(15)
Loss before taxation		(95)	(15)
Loss for the financial year		(95)	(15)

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

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

The notes on pages 8 to 12 form an integral part of these financial statements.

INSPIRING LEARNING ASIA LIMITED

BALANCE SHEET AS AT 31 OCTOBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Investments	6	224,334	224,334
		224,334	224,334
CURRENT ASSETS			
Debtors: Amounts falling due within one year	7	28,394	-
Cash at bank and in hand		27,576	27,672
		55,970	27,672
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	8	(280,314)	(251,921)
NET CURRENT LIABILITIES		(224,344)	(224,249)
NET ASSETS		(10)	85
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Retained Earnings		(110)	(15)
TOTAL EQUITY		(10)	85

The notes on pages 8 to 12 form an integral part of these financial statements.

For the year ended 31 October 2021 the company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 5 to 12 were approved by the board of directors on 5th April 2022 and were signed on its behalf by:



N Hales
Director

Registered number: 11344401

INSPIRING LEARNING ASIA LIMITED

STATEMENT OF CHANGES IN EQUITY

	Called-up share capital	Retained Earnings	Total
	£	£	£
At 31 October 2020	100	(15)	85
Loss for the year	-	(95)	(95)
At 31 October 2021	100	(110)	(10)

The notes on pages 8 to 12 form an integral part of these financial statements.

INSPIRING LEARNING ASIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

1. COMPANY INFORMATION

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

2. STATEMENT OF COMPLIANCE

The individual financial statements of Inspiring Learning Asia Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. ACCOUNTING POLICIES

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

Basis of preparation

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

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

The functional currency of Inspiring Learning Asia Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Going concern

The following basis of preparation wording has been included in the group accounts:

Notwithstanding a comprehensive loss for the year of £14,151,000 (2020: £21,018,000) and a net current liability position of £4,879,000 (2020: £1,930,000) the directors have prepared the financial statements on a going concern basis for the following reasons:

The group meets its working capital requirements through its available cash balances and the Revolving Credit Facility and long term loan held with its bankers. Following on from the restructure of the group's debt in the prior year, the group maintained a £3.5m undrawn banking facility as at 31 October 2021 having outperformed the cash flow expectations set at the time. This has allowed the group to draw on the facility in January 2022 to look to use it for growth opportunities in the market rather than working capital management, as well as accelerate investment in the group's property portfolio to improve customer and staff experience.

During the current year, as a result of the continuing impact of Covid-19, the group received covenant waivers from its bankers for the quarter ended October 2021 where there was a requirement for minimum liquidity only. The Group was then in compliance with all of the covenants during the year and up to the date of signing these financial statements.

Due to the impact of Covid-19 on the trading performance for May 2021 to July 2021 further resets to the covenants were agreed on 4 February 2022 with the group's lenders, extending the minimum liquidity covenant and deferring the 12 month rolling EBITDA covenant for the quarter ended 30 April 2022. From 31 July 2022 the covenants revert to the original defaults driven by 12 month rolling EBITDA and debt.

INSPIRING LEARNING ASIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

3. ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

The directors have prepared cash flow forecasts for the period to 30 September 2023, which have been based on the board approved budgets that have been provided to the group's lenders. Given the continuing uncertainties presented by Covid-19 the directors have also prepared a severe but plausible downside scenario where they have incorporated a two month lockdown for all Kingswood centres, Skern Lodge and Britannia Coach Services followed by a return to normal trading levels, and kept revenue for Camp Beaumont in line with base case growth assumptions.

Under both the base case and the severe but plausible downside scenario, the forecasts indicate that the group will have sufficient liquidity to continue in operational existence, will be able to settle its liabilities as they fall due and be in compliance with its banking covenants for a period of at least 12 months from the date of approval of the financial statements.

Consequently, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Exemptions for qualifying entities under FRS 102

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

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

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

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

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

Consolidated financial statements

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

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

INSPIRING LEARNING ASIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

3. ACCOUNTING POLICIES (CONTINUED)

Current tax

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

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

Deferred tax

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

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

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

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

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

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

b) Key accounting estimates and assumptions

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

5. EMPLOYEES AND DIRECTORS' INFORMATION

There were no persons employed by the company during the period.

None of the directors received any remuneration for their services to the company during the period under review.

INSPIRING LEARNING ASIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

6. INVESTMENTS

	£
As at 1 November 2020 and 31 October 2021	224,334

At 31 October 2021 the company owned 51% of Inspiring Learning Summerhill Education Technology (Shanghai) Co., Limited which was incorporated in China:

Entity name	Principal activity
Inspiring Learning Summerhill Education Technology (Shanghai) Co., Limited	Day Care Camps
The registered address for the above company subsidiaries is 5 th Floor, No. 310, Jingao Road, Pudong, China.	

7. DEBTORS

	31 October 2021	31 October 2020
	£	£
Other debtors	28,394	-
	28,394	-

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

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 October 2021	31 October 2020
	£	£
Amounts owed to group undertakings	280,314	251,921
	280,314	251,921

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

INSPIRING LEARNING ASIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021 (CONTINUED)

9. CALLED UP SHARE CAPITAL

	2021	2020
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted and unpaid		
100 Ordinary share of £1 each	100	100

The different classes of shares rank pari passu in all material respects.

10. RELATED PARTY TRANSACTIONS

Related balances are disclosed in notes 7 and 8 with trade balances included as part of trade debtors. As at 31 October 2021 Inspiring Learning Asia Limited had the following aggregate related party balances with subsidiaries of the Ultimate parent.

	2021	2020
	£	£
Amounts owed to group undertakings	280,314	-
Amounts owed to related parties	280,314	-

Key management personnel related party transactions are exempt from disclosure.

11. ULTIMATE CONTROLLING PARTY

The immediate parent undertaking of the entity is Inspiring Learning (Holdings) Limited, a company incorporated in England.

The largest group of undertakings for which consolidated financial statements are prepared to include the results of this company is headed by Swift Newco Limited which is registered at 3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG.

The smallest group of undertakings for which consolidated financial statements are prepared to include the results of this company is headed by Graduation Topco Limited which is registered at 1 Jubilee Street, Brighton, BN1 1GE.

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

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

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