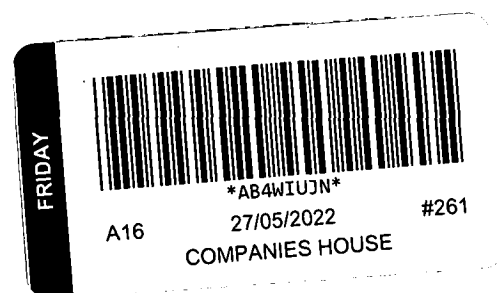


# **The Edwin Group Limited**

Registered number: 12406031

## **Annual report and financial statements**

**For the year ended 31 August 2021**



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**THE EDWIN GROUP LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	W Roberts D Bains (appointed 21 December 2020) A Calder (appointed 21 December 2020) W Colvin (appointed 21 December 2020) J Green (appointed 21 December 2020) E Simpson (appointed 21 December 2020)
<b>Registered number</b>	12406031
<b>Registered office</b>	First Floor (South) Cathedral Buildings Dean Street Newcastle Upon Tyne NE1 1PG
<b>Independent auditor</b>	Mazars LLP Chartered Accountants & Statutory Auditor Park View House 58 The Ropewalk Nottingham NG1 5DW

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**THE EDWIN GROUP LIMITED**

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## THE EDWIN GROUP LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021

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#### Introduction

The Directors present their strategic report for the year ended 31 August 2021.

#### Business review and trading performance

The principal activity of the Company is that of a holding company for the trading activities of Vision for Education Ltd, Smart Education Ltd and ABC Teachers Ltd. The principal activity of all three companies is the provision of teachers and support staff to schools on a temporary basis. The review of each of these three trading companies is presented below. The commentary below quotes the full year performance, however for consolidation purposes only the profits from 21 December 2020 are included in the consolidation.

##### Vision for Education Ltd

Revenue increased 27% to £35,399k (2020 - £27,900k) during the year ended 31 August 2021.

Vision for Education Ltd traded from 12 branches all located in England, and the number of employees was 147 (2020 - 134).

During the year the Company generated an operating profit of £1,314k (2020 - £114k restated). The Company achieved a profit after tax for the year of £1,612k (2020 - £357k restated).

During the year schools closed in January 2021 not opening up again until March 2021, with the exception that children from key workers and vulnerable young people could still attend. The relationships the Company has with schools meant that although day to day bookings were substantially impacted during this time, the majority of schools honoured their long-term commitments as directed by central government. These school closures impacted on all entities in the group.

One new branch was opened in the year in Preston, and this has already started placing teachers into schools.

The Company continues to expand and increase headcount in line with targets and has opened 3 new branches from September 2021. Performance is good and the Company is exceeding revenue and profit targets.

##### Smart Education Ltd

Revenue decreased 4% to £6,873k (2020 - £7,126k) during the year ended 31 August 2021.

Smart Education Ltd traded from 1 branch in London, and the number of employees was 23 (2020 - 27).

During the year the Company generated an operating profit of £49k (2020 - £5,993k restated). The Company achieved a profit after tax for the year of £122k (2020 - £6,294k restated).

The Company operates from one branch in London and this is a unique market in education recruitment. The Company has changed office location in December 2021 as part of the recruitment strategy to ensure we can recruit the best quality of employee to drive the business forward.

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## THE EDWIN GROUP LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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#### Business review and trading performance (continued)

##### ABC Teachers Ltd

Revenue decreased 8% to £8,278k (2020 - £9,016k) during the year ended 31 August 2021.

ABC Teachers Ltd traded from 1 branch in Lichfield, and the number of employees was 32 (2020 -32).

During the year the Company generated an operating profit of £716k (2020 - £1,416k restated). The Company achieved a profit after tax for the year of £738k (2020 - £1,342k restated).

The Company is trading well and since September 2021 has outperformed against annual targets.

#### Overall review of the business

The education sector remains highly competitive with continued pressure on school budgets, but an increased need for temporary staff in schools. To mitigate these factors actions have been taken to enable a quick response to these challenges. These actions include investment in information technology, a new CRM system and training employees to deliver an excellent and tailored service.

On the 21st of December 2020 the Company acquired TES Supply Ltd (now called Edwin Supply Limited and formerly known as Edwin Co 1 Limited) and subsidiaries, and at that point became the new ultimate parent undertaking for the group. TES Topco Ltd was the controlling party up to 21 December 2020.

The acquisition was a management buy-out with Lloyds Development Capital (LDC) backing the management team. The Company acquired 100% of the shareholding of TES Supply Ltd and subsidiaries. The purchase price was £27m, some of which was either deferred or contingent on future performance. The full details of the acquisition is shown in note 23.

The Directors do not recommend payment of a dividend (2020 - £Nil). The financial performance of the Company for the year ended 31 August 2021, is included in the consolidated financial statements of The Edwin Group Limited.

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## THE EDWIN GROUP LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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#### Going concern

Below is a summary of the Directors' assessment of the Company's going concern position:

The Directors confirm that having reviewed the Company's cash requirements for the next 12 months from the date of signing the financial statements, they have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as and when they fall due for the foreseeable future. The Directors have considered their current cash flow projections, including the financing costs of the invoice discounting facility. Having due regard to these factors the directors have adopted the going concern basis in preparing these financial statements.

The uncertainty as to the future impact on the Company of COVID-19 has been considered as part of the Company's adoption of the going concern basis. The most significant impact for the Company arises on the potential closure of schools and the impact that this could have on school and teacher behaviour. Schools remain open and government policy has shifted to place more emphasis on schools remaining open as a priority. This, combined with the successful roll-out of the vaccination programme and subsequent booster jabs at the date these accounts were approved lead the Board to consider the risk from school closures as low.

The Board has taken significant confidence from the manner in which the Company traded during the second half of the 2020 financial year, with schools honouring their long-term placements for supply staff, following a government directive to do this. As expected this continued in the lockdown during January to March 2021.

The Board has prepared a forecast for the remainder of the FY22 financial year, and this has continued into the longer term forecast to FY23. There are no banking covenants to meet in the Company, it is only available cash that needs to be considered, and there would have to be a prolonged period of school closures longer than we have recently seen to cause any issues. The government has stressed that education is a top priority, and when schools are open the Company can continue to supply teaching staff.

In consideration of the above factors, we do not believe that there is a scenario that would result in the Company reaching a point where it may run out of available cash headroom. However, it is unclear for how long there will remain a risk of school closures and possible disruption to our business due to COVID-19. The consolidated financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

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## THE EDWIN GROUP LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

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#### Principal risks and uncertainties

The principal risks and uncertainties, including financial risks, facing the business are set out below:

##### *Market risk*

Changes in teacher turnover influence the Company's revenue and therefore future performance may be affected by changes in teacher mobility. The Company performs periodic market reviews to identify any underlying changes in the rate of teacher turnover. Teacher turnover is influenced by a number of factors, including public sector spending and recessionary pressures. Management are continuing to monitor market developments in light of Brexit and Covid, and we are not aware of any immediate direct consequences that will affect the Company.

##### *Competitive risk*

The Company supports schools by placing the right teachers in the right jobs. This will continue to deliver value to our customers. The main competitive threats facing the Company are from current competitors, potential new entrants and potential technological changes in the industry. These are monitored at a branch level and responded to by adding appropriate support in the branch such as increased headcount and marketing spend. In the opinion of the Directors, The Company has a sufficiently well established position in the marketplace to defend against potential threats.

##### *Cash flow / liquidity risk*

The risk is that there are insufficient funds to cover liabilities as they fall due. To mitigate this risk the Group has entered into an invoice discounting facility with Barclays Bank for £1.5m. This facility was entered into on 30 April 2021 and as at the date of signing the financial statements it is not utilised.

##### *Interest Rate Risk*

All material interest relates to intercompany balances. Whilst subject to change this is controlled and managed on a group wide basis.

#### Financial key performance indicators

Due to the nature of the business, key performance indicators such as number of supply days booked, charge rate to the schools and pay rates to the teachers are reviewed and monitored at a Company level.

This report was approved by the board and signed on its behalf.

*allan calder*

**A Calder**  
Director

Date: May 25, 2022

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## THE EDWIN GROUP LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

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

#### Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

#### Results and dividends

The loss for the year, after taxation, amounted to £2,719k (2020 - profit £Nil).

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

#### Directors

The Directors who served during the year were:

W Roberts  
D Bains (appointed 21 December 2020)  
A Calder (appointed 21 December 2020)  
W Colvin (appointed 21 December 2020)  
J Green (appointed 21 December 2020)  
E Simpson (appointed 21 December 2020)

#### Directors' and officers' indemnity

The Company maintains qualifying third party liability insurance for its Directors and officers and has this in place throughout the year and up to the date of signing the financial statements.



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**THE EDWIN GROUP LIMITED**

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

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**Invasion of Ukraine and Russian Sanctions**

The entity does not operate in either Ukraine or Russia and no key suppliers are located in either country. The Board's assessment of this highly tragic geopolitical situation is that the business is not impacted at present, and the situation will remain under review.

**Matters covered in the Group strategic report**

The Group has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 to set out certain information in the Strategic Report as required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

**Future developments**

Details of future developments can be found in the group strategic report and form part of this report by cross-reference.

**Disclosure of information to auditor**

Each of the persons who are Directors at the time when this directors' report is approved has confirmed that:

- so far as the Directors are aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Directors have taken all the steps that ought to have been taken as Directors in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

**Post balance sheet events**

On the 9 September 2021 The Edwin Group Limited acquired 100% of the shareholding Commando Joes Fun and Fitness Ltd.

**Auditor**

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

This report was approved by the board and signed on its behalf.

*allan calder*

**A Calder**  
Director

Date: May 25, 2022

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## THE EDWIN GROUP LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EDWIN GROUP LIMITED

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#### Opinion

We have audited the financial statements of The Edwin Group Limited (the 'Group and Parent Company') for the year ended 31 August 2021 which comprise the consolidated profit and loss account, the consolidated and Company balance sheets, the consolidated statement of cash flows, the consolidated analysis of net debt and notes to the financial statements, including a summary of significant accounting policies.

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

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Other matter

Without qualifying the opinion we draw attention to note 2.1 of the financial statements and the fact that the Company comparative information in the accounts was unaudited as the Company was small and entitled to exemption from audit.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### Other information

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

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**THE EDWIN GROUP LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EDWIN GROUP LIMITED**

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

**Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EDWIN GROUP LIMITED**

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Group and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to , revenue recognition and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

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**THE EDWIN GROUP LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EDWIN GROUP LIMITED**

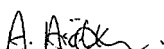
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There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of the audit report**

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



Andrew Hickson (Senior Statutory Auditor)

for and on behalf of

Mazars LLP  
Chartered Accountants and Statutory Auditor  
Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: May 25, 2022

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**THE EDWIN GROUP LIMITED**

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**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2021**

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	Note	2021 £000
Turnover	4	33,083
Cost of sales		(26,772)
<b>Gross profit</b>		<u>6,311</u>
Administrative expenses		(10,027)
Other operating income	5	2,859
<b>Operating loss</b>	6	<u>(857)</u>
Interest payable and similar expenses	10	(1,655)
<b>Loss before taxation</b>		<u>(2,512)</u>
Tax on loss	11	(207)
<b>Loss for the financial year</b>		<u><u>(2,719)</u></u>
Other comprehensive income		-
<b>Total comprehensive income for the year</b>		<u><u>(2,719)</u></u>
<b>Loss for the year attributable to:</b>		
Owners of the parent Company		<u><u>(2,719)</u></u>

The notes on pages 18 to 36 form part of these financial statements.

**THE EDWIN GROUP LIMITED**  
**REGISTERED NUMBER: 12406031**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £000
<b>Fixed assets</b>		
Intangible assets	12	17,935
Tangible assets	13	253
		<u>18,188</u>
<b>Current assets</b>		
Debtors	15	4,970
Cash at bank and in hand	16	4,773
		<u>9,743</u>
Creditors: Amounts falling due within one year	17	(6,184)
		<u>3,559</u>
<b>Net current assets</b>		
		<u>21,747</u>
<b>Total assets less current liabilities</b>		
Creditors: Amounts falling due after more than one year	18	(23,712)
<b>Provisions for liabilities</b>		
Deferred taxation	20	(472)
		<u>(2,437)</u>
<b>Net (liabilities)/assets</b>		<u><u>(2,437)</u></u>
<b>Capital and reserves</b>		
Called up share capital		8
Share premium account	22	274
Profit and loss account	22	(2,719)
		<u>(2,437)</u>
		<u><u>(2,437)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

*allan calder*

**A Calder**  
Director

Date: May 25, 2022

The notes on pages 18 to 36 form part of these financial statements.

**THE EDWIN GROUP LIMITED**  
**REGISTERED NUMBER: 12406031**

**COMPANY BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £000	Unaudited 2020 £000
<b>Fixed assets</b>			
Investments	14	10,219	-
		<u>10,219</u>	<u>-</u>
<b>Current assets</b>			
Debtors	15	14,521	-
		<u>14,521</u>	<u>-</u>
Creditors: Amounts falling due within one year	17	(1,853)	-
		<u>12,668</u>	<u>-</u>
<b>Net current assets</b>			
		<u>12,668</u>	<u>-</u>
<b>Total assets less current liabilities</b>		<u>22,887</u>	<u>-</u>
Creditors: Amounts falling due after more than one year	18	(23,712)	-
		<u>(825)</u>	<u>-</u>
<b>Net liabilities</b>			
		<u>(825)</u>	<u>-</u>
<b>Capital and reserves</b>			
Called up share capital		8	-
Share premium account	22	274	-
Loss for the year		(1,107)	-
		<u>(1,107)</u>	<u>-</u>
Profit and loss account carried forward		(1,107)	-
		<u>(825)</u>	<u>-</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

*allan calder*

**A Calder**  
 Director

Date: May 25, 2022

The notes on pages 18 to 36 form part of these financial statements.



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THE EDWIN GROUP LIMITED

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2021

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	Called up share capital £000	Share premium account £000	Profit and loss account £000	Equity attributable to owners of parent Company £000	Total equity £000
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	(2,719)	(2,719)	(2,719)
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(2,719)	(2,719)	(2,719)
Shares issued during the year	8	274	-	282	282
<b>Total transactions with owners</b>	8	274	-	282	282
<b>At 31 August 2021</b>	8	274	(2,719)	(2,437)	(2,437)

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THE EDWIN GROUP LIMITED

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COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2021

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	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 September 2020 (unaudited)	-	-	-	-
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(1,107)	(1,107)
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(1,107)	(1,107)
<b>Contributions by and distributions to owners</b>				
Shares issued during the year	8	274	-	282
<b>Total transactions with owners</b>	8	274	-	282
<b>At 31 August 2021</b>	8	274	(1,107)	(825)

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**THE EDWIN GROUP LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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	<b>2021 £000</b>
<b>Cash flows from operating activities</b>	
Loss for the financial year	(2,719)
<b>Adjustments for:</b>	
Amortisation of intangible assets	1,281
Depreciation of tangible assets	72
Interest paid	1,655
Taxation charge	207
Decrease in debtors	1,798
Decrease in creditors	(743)
<b>Net cash generated from operating activities</b>	<u>1,551</u>
<b>Cash flows from investing activities</b>	
Purchase of tangible fixed assets	(75)
Repayment of former parent company debt	(13,704)
Cash consideration of fixed asset investment	(1,650)
Cash acquired on acquisition of fixed asset investments	2,469
<b>Net cash from investing activities</b>	<u>(12,960)</u>
<b>Cash flows from financing activities</b>	
Issue of ordinary shares	282
Loan notes issued	15,900
<b>Net cash used in financing activities</b>	<u>16,182</u>
<b>Net increase in cash and cash equivalents</b>	<u>4,773</u>
<b>Cash and cash equivalents at the end of year</b>	<u>4,773</u>
<b>Cash and cash equivalents at the end of year comprise:</b>	
Cash at bank and in hand	<u>4,773</u>

The notes on pages 18 to 36 form part of these financial statements.

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**THE EDWIN GROUP LIMITED**

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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 AUGUST 2021**

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	<b>Cash flows £000</b>	<b>Acquisition of subsidiaries £000</b>	<b>At 31 August 2021 £000</b>
Cash at bank and in hand	2,304	2,469	4,773
Debt due after 1 year	(23,712)	-	(23,712)
	<u>(21,408)</u>	<u>2,469</u>	<u>(18,939)</u>

The notes on pages 18 to 36 form part of these financial statements.

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## THE EDWIN GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1. General information

The Edwin Group Limited, registered number: 12406031, presents its financial statements for the year ended 31 August 2021.

The Company is a private Company, limited by shares and is registered in England. The address of the registered office is First Floor (South) Cathedral Buildings, Dean Street, Newcastle Upon Tyne, United Kingdom, NE1 1PG.

The principal activity of the Company is of a holding company. The Group commenced trade during the year following the acquisition of TES Supply Ltd (now called Edwin Supply Limited and formerly known as Edwin Co 1 Limited) and its subsidiaries on 21 December 2020.

The principal activity of the Group is the provision of teachers to schools on a supply basis.

The presentation currency for the financial statements is Pound Sterling (£'000) as this is the currency of the primary economic environment in which the Company operates and is rounded to the nearest thousand.

A summary of the Group's accounting policies, which have been consistently applied, are set out below:

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

The 2020 comparative figures were unaudited, as the Directors took the exemption under Companies Act 2006 to not prepare audited accounts, as the Company qualified as dormant.

However, this does not apply to the Group accounts, as this is the first year of the Group's existence. Further information regarding the acquisition can be found in the Strategic Report and note 23.

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Accounting policies (continued)**

**2.3 Going concern**

Below is a summary of the Directors' assessment of the Company's going concern position:

The Directors confirm that having reviewed the Company's cash requirements for the next 12 months from the date of signing the financial statements, they have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as and when they fall due for the foreseeable future. The Directors have considered their current cash flow projections, including the financing costs of the invoice discounting facility. Having due regard to these factors the directors have adopted the going concern basis in preparing these financial statements.

The uncertainty as to the future impact on the Company of COVID-19 has been considered as part of the Company's adoption of the going concern basis. The most significant impact for the Company arises on the potential closure of schools and the impact that this could have on school and teacher behaviour. Schools remain open and government policy has shifted to place more emphasis on schools remaining open as a priority. This, combined with the successful roll-out of the vaccination programme and subsequent booster jabs at the date these accounts were approved lead the Board to consider the risk from school closures as low.

The Board has taken significant confidence from the manner in which the Company traded during the second half of the 2020 financial year, with schools honouring their long-term placements for supply staff, following a government directive to do this. As expected this continued in the lockdown during January to March 2021.

The Board has prepared a forecast for the remainder of the FY22 financial year, and this has continued into the longer term forecast to FY23. There are no banking covenants to meet in the Company, it is only available cash that needs to be considered, and there would have to be a prolonged period of school closures longer than we have recently seen to cause any issues. The government has stressed that education is a top priority, and when schools are open the Company can continue to supply teaching staff.

In consideration of the above factors, we do not believe that there is a scenario that would result in the Company reaching a point where it may run out of available cash headroom. However, it is unclear for how long there will remain a risk of school closures and possible disruption to our business due to COVID-19. The consolidated financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP and the financial statements are presented as such.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Accounting policies (continued)**

**2.5 Turnover**

Turnover from the supply business represents net invoiced sale of services relating to the provision of teachers, excluding value added tax, and is recognised when the service to the customer has been completed. For this temporary supply revenue, this is upon receipt of the time-sheet from the customer acknowledging that the service has been provided. As temporary supply revenue is where the customer requires a teacher to fill a gap that has been created either due to increased demand on the schools existing teachers or where some teachers have left or are on leave for an extended period. Teachers fill in their time-sheet on a daily basis and at the end of each week (Friday) the school will approve the timesheets. Upon receipt of the approved time-sheet from the customer (the school) acknowledging that the service has been provided, revenue is therefore generated via salesforce.

Permanent recruitment turnover relates to teachers being placed into a permanent role. Revenue is recognised at a point in time when the performance obligation is met which the teacher has been placed into the role and has started at the school.

**2.6 Government grants**

The UK government has offered a range of financial support packages to help companies, including government backed financing arrangements, furlough schemes, deferment of VAT payments and, for some sectors, business rates holidays, of the offered schemes, the Company used the furlough scheme. The income from the furlough scheme has been recognised within 'Other operating income'. The income has recognised when the entity has reasonable assurance that they will comply with the conditions attaching the grant, and that the grant will be received.

**2.7 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.8 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Accounting policies (continued)**

**2.9 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.10 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the consolidated statement of comprehensive income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.



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

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**2. Accounting policies (continued)**

**2.11 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives..

Depreciation is provided on the following basis:

Fixtures and fittings	-	15% straight line
Office equipment	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.12 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.13 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.14 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.15 Creditors**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Accounting policies (continued)**

**2.16 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

**2.17 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

**3. Significant management judgements and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

**Significant management judgements**

The Directors have not identified any significant management judgements in preparing these financial statements.

**Estimation uncertainty**

**(i) Useful economic life of intangible assets**

The Group amortises intangible assets over their estimated useful lives. The estimation of these lives is based on historical information and expectations of future performance.

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**THE EDWIN GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**4. Turnover**

An analysis of turnover by class of business is as follows:

	<b>2021 £000</b>
Provision of supply teachers	33,083

All turnover arose within the United Kingdom.

**5. Other operating income**

	<b>2021 £000</b>
Coronavirus Job Retention Scheme income	2,859

**6. Operating loss**

The operating loss is stated after charging/(crediting)

	<b>2021 £000</b>
Amortisation of intangible fixed assets	1,281
Depreciation of tangible fixed assets	74
Other operating lease rentals	170

**7. Auditor's remuneration**

	<b>2021 £000</b>
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	46

**Fees payable to the Group's auditor in respect of:**

All other services	14
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**THE EDWIN GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**8. Employees**

Staff costs, including Directors' remuneration, were as follows:

	<b>Group</b>	<b>Company</b>	<b>Company Unaudited</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Wages and salaries	5,236	-	-
Social security costs	518	-	-
Cost of defined contribution scheme	177	-	-
	<u>5,931</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	<b>Group 2021 No.</b>	<b>Group Unaudited 2020 No.</b>	<b>Company 2021 No.</b>	<b>Company Unaudited 2020 No.</b>
Sales staff	151	-	-	-
Admin	51	-	6	1
	<u>202</u>	<u>0</u>	<u>6</u>	<u>1</u>

**9. Directors' remuneration**

	<b>2021 £000</b>
Directors' emoluments	<u>63</u>

**10. Interest payable and similar expenses**

	<b>2021 £000</b>
Interest on loan notes	<u>1,655</u>

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**THE EDWIN GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**11. Taxation**

	<b>2021 £000</b>
<b>Corporation tax</b>	
Current tax on profits for the year	131
<b>Total current tax</b>	<u>131</u>
<b>Deferred tax</b>	
Origination and reversal of timing differences	(18)
Effect of tax rate change on opening balance	94
<b>Total deferred tax</b>	<u>76</u>
<b>Taxation on profit on ordinary activities</b>	<u>207</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	<b>2021 £000</b>
(Loss)/profit on ordinary activities before tax	<u>(2,512)</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(477)
<b>Effects of:</b>	
Non-tax deductible amortisation of goodwill and impairment	216
Expenses not deductible for tax purposes	550
Fixed asset differences	(3)
Income not taxable for tax purposes	(167)
Remeasurement of deferred tax for changes in tax rates	98
Movement in deferred tax not recognised	(10)
<b>Total tax charge for the year</b>	<u>207</u>

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**THE EDWIN GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**11. Taxation (continued)****Factors that may affect future tax charges**

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50k or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50k and £250k, the higher 25% rate will apply but with a marginal relief applying as profits increase.

**12. Intangible assets****Group and Company**

	Other intangibles £000	Goodwill £000	Total £000
<b>Cost</b>			
Additions as a result of the acquisition of subsidiaries	2,185	17,031	19,216
At 31 August 2021	2,185	17,031	19,216
<b>Amortisation</b>			
Charge for the year	146	1,135	1,281
At 31 August 2021	146	1,135	1,281
<b>Net book value</b>			
At 31 August 2021	2,039	15,896	17,935

Goodwill is amortised over a 10 year useful economic life. Management are satisfied this is appropriate as the trading entities in the group have already been trading for a similar period. Furthermore, there are no factors indicating that the business model cannot continue to be successful or is likely to be superceded.

The tradename intangible asset has been separated from the goodwill, as the asset is capable of being licensed, sold or transferred as per FRS102.

Other intangibles are amortised over a 10 year useful economic life in line with that of goodwill. The tradenames are inherently associated with the activity of the Group and management do not believe there is any difference in their useful economic life.

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**THE EDWIN GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**13. Tangible fixed assets****Group**

	<b>Fixtures and fittings £000</b>	<b>Computer equipment £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>			
Additions	32	43	75
On acquisition of subsidiaries	92	158	250
At 31 August 2021	<u>124</u>	<u>201</u>	<u>325</u>
<b>Depreciation</b>			
Charge for the year	22	50	72
At 31 August 2021	<u>22</u>	<u>50</u>	<u>72</u>
<b>Net book value</b>			
At 31 August 2021	<u>102</u>	<u>151</u>	<u>253</u>

**14. Fixed asset investments****Company**

	<b>Investments in subsidiary companies £000</b>
<b>Cost or valuation</b>	
Additions	10,219
At 31 August 2021	<u>10,219</u>

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**THE EDWIN GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**14. Fixed asset investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Edwin Supply Limited	Holding company	Ordinary	100%
Edwin Co 2 Limited*	Holding company	Ordinary	100%
Smart Education Limited*	Provision of Supply Teachers	Ordinary	100%
ABC Teachers Limited*	Provision of Supply Teachers	Ordinary	100%
Vision for Education Limited*	Provision of Supply Teachers	Ordinary	100%
Smart Teachers Limited*	Dormant company	Membership capital	100%

\* denotes companies which were indirect subsidiary undertakings of The Edwin Group Limited.

The registered office of direct and indirect subsidiary undertakings is First Floor (South) Cathedral Buildings, Dean Street, Newcastle Upon Tyne, United Kingdom, NE1 1PG.

**15. Debtors**

	<b>Group</b>	<b>Company</b>	<b>Company Unaudited</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade debtors	3,933	-	-
Amounts owed by group undertakings	-	14,512	-
Other debtors	711	-	-
Prepayments and accrued income	326	-	-
Deferred taxation	-	9	-
	<u>4,970</u>	<u>14,521</u>	<u>-</u>

Amounts owed by group undertakings are unsecured, repayable on demand and bear interest at 8% per annum.



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**THE EDWIN GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**16. Cash and cash equivalents**

	<b>Group</b>	<b>Company</b>	<b>Company Unaudited</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	4,773	-	-

**17. Creditors: Amounts falling due within one year**

	<b>Group</b>	<b>Company</b>	<b>Company Unaudited</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade creditors	366	-	-
Other taxation and social security	2,282	-	-
Contingent consideration	309	309	-
Corporation tax	131	-	-
Other creditors	640	-	-
Deferred consideration	1,431	1,431	-
Accruals and deferred income	1,025	113	-
	6,184	1,853	-

Amounts owed to group undertakings are unsecured, repayable on demand and bear interest at 8% per annum.

Deferred consideration of £1,431k is due in May 2022.

Estimated contingent consideration of £309k has been calculated as stipulated by the Share Purchase Agreement.

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**THE EDWIN GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**18. Creditors: Amounts falling due after more than one year**

	<b>Group</b>	<b>Company</b>	<b>Company Unaudited</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Loan notes	23,712	23,712	-

The Company has issued the following loan notes:

<b>Name</b>	<b>Note Holder</b>	<b>Issue date</b>	<b>Interest Rate</b>	<b>Repayment date</b>	<b>Security</b>
A1 Loan Notes	LDC	21-Dec-21	12%	20-Dec-26	Fixed & Floating Charge
A2 Loan Notes	LDC	21-Dec-21	12%	20-Dec-26	Fixed & Floating Charge
Variable C	TES Global	21-Dec-21	4-8%	20-Dec-26	Unsecured
B1 Loan Notes	Management	21-Dec-21	12%	20-Dec-26	Unsecured
B2 Loan Notes	Management	21-Dec-21	12%	20-Dec-26	Unsecured

The carrying value of all loan notes at year end was £23,712k (2020 - £Nil).

LDC Managers Limited have a fixed and floating charge over all assets of the entity.

**19. Loans**

	<b>Group</b>	<b>Company</b>	<b>Company Unaudited</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Amounts falling due after more than 5 years</b>			
Loan notes	23,712	23,712	-

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THE EDWIN GROUP LIMITED

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

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20. Deferred taxation

Group

2021  
£000

Charged to profit or loss	(80)
Arising on business combinations	(392)
<b>At end of year</b>	<b>(472)</b>

Company

2021  
£000

Charged to profit or loss	9
<b>At end of year</b>	<b>9</b>

	<b>Group 2021 £000</b>	<b>Company 2021 £000</b>
Fixed asset timing differences	8	-
Short term timing differences	(93)	9
Arising on business combinations	(387)	-
	<b>(472)</b>	<b>9</b>

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**THE EDWIN GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**21. Share capital**

	2021 £000	Unaudited 2020 £000
<b>Allotted, called up and fully paid</b>		
200,000 (2020 - 0) A Ordinary shares of £0.01 each	2	-
10,446 (2020 - 0) B Ordinary shares of £0.10 each	1	-
53,800 (2020 - 0) C1 Ordinary shares of £0.10 each	5	-
0 (2020 - 1) Ordinary share of £0.10 each	-	-
	<hr/>	<hr/>
	8	-
	<hr/>	<hr/>

On 21 December 2020, the Company designated 1 Ordinary share to 1 C1 Ordinary share.

On 21 December 2020, 200,000 A Ordinary shares were issued at a premium with the Company receiving £200,000, net of fundraising expenses.

On 21 December 2020, 10,446 B Ordinary shares were issued at a premium with the Company receiving £10,446, net of fundraising expenses.

On 21 December 2020, 53,800 C1 Ordinary shares were issued at a premium with the Company receiving £71,553, net of fundraising expenses.

All shares rank pari passu in respect of voting right, dividends and other distributions.

**22. Reserves****Share premium account**

The share premium account represents the amount above the nominal value received for issued share capital, less transaction costs.

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**THE EDWIN GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**23. Business combinations**

On 21 December 2020, the Company acquired 100% of the share capital of TES Supply Limited (now renamed Edwin Co 1 Limited), its immediate subsidiary TES Bidco Limited (now renamed Edwin Co 2 Limited) and its trading subsidiaries Vision For Education Limited, Smart Education Limited and ABC Teachers Limited for total consideration of £10,220,000.

The goodwill arising of £17,031,000 is attributable to the existing customer and business relationships. The goodwill is being amortised over its expected useful life of 10 years. An amount of £13,069,000 owed to the former parent company was paid at completion and funded by new investor loan notes.

The transaction has been accounted for under the purchase method of accounting with a fair value adjustment for the tradenames and the related deferred tax asset at the date of acquisition. All group trading in the period to 31 August 2021 relates to the acquisitions.

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	<b>Book value £000</b>	<b>Fair value adjustments £000</b>	<b>Fair value £000</b>
<b>Fixed Assets</b>			
Tangible	250	-	250
Intangible	-	2,185	2,185
	<u>250</u>	<u>2,185</u>	<u>2,435</u>
<b>Current Assets</b>			
Debtors	6,792	-	6,792
Cash at bank and in hand	2,469	-	2,469
	<u>9,511</u>	<u>2,185</u>	<u>11,696</u>
<b>Total Assets</b>			
<b>Creditors</b>			
Due within one year	(5,042)	-	(5,042)
Owed to former parent	(13,069)	-	(13,069)
Deferred taxation	19	(415)	(396)
	<u>(8,581)</u>	<u>1,770</u>	<u>(6,811)</u>
<b>Total identifiable net liabilities</b>			
Goodwill			<u>17,031</u>
<b>Total purchase consideration</b>			<u><u>10,220</u></u>

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**THE EDWIN GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**23. Business combinations (continued)****Consideration**

	<b>£000</b>
Acquisition expenses	1,855
Loan notes	6,625
Deferred consideration	1,740
<b>Total purchase consideration</b>	<b>10,220</b>

**Cash outflow on acquisition**

	<b>£000</b>
Directly attributable costs	1,855
	<u>1,855</u>
Less: Cash and cash equivalents acquired	(2,469)
<b>Net cash inflow on acquisition</b>	<b>(614)</b>

**24. Pension commitments**

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension charge represents contributions payable by the Group to the fund and amounted to £177,000 (2020 - £Nil). Contributions totalling £70,000 (2020 - £Nil) were payable at the balance sheet date and are included in creditors.

**25. Commitments under operating leases**

At 31 August 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group</b>
	<b>2021</b>
	<b>£000</b>
Not later than 1 year	345
Later than 1 year and not later than 5 years	210
	<u>555</u>

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**THE EDWIN GROUP LIMITED**

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**26. Post balance sheet events**

On the 9 September 2021 The Edwin Group Limited acquired 100% of the shareholding Commando Joes Fun and Fitness Ltd.

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The Directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event.

The greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessments.

**27. Controlling party**

The Directors do not consider there to be an ultimate controlling party of The Edwin Group Limited by virtue of the fact that no single shareholder has more than 50% of the voting rights.