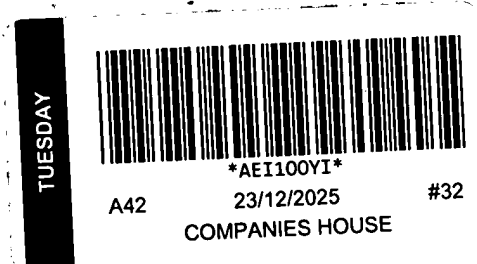


REGISTERED NUMBER: 11653780 (England and Wales)

THINKSPACE EDUCATION LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

Fairhurst Audit Services Ltd
Chartered Accountants
Statutory Auditor
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB



THINKSPACE EDUCATION LIMITED

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for the year ended 31 July 2025**

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THINKSPACE EDUCATION LIMITED

COMPANY INFORMATION
for the year ended 31 July 2025

DIRECTORS:

G A Michelmore
Mrs E J Michelmore
B A Troise
M S Wyard
J Garnham
Prof S Kinnear

REGISTERED OFFICE:

Ashbourne House
The Guildway
Old Portsmouth Road
Guildford
Surrey
GU3 1LR

REGISTERED NUMBER:

11653780 (England and Wales)

INDEPENDENT AUDITORS:

Fairhurst Audit Services Ltd
Chartered Accountants
Statutory Auditor
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

The directors present their strategic report for the year ended 31 July 2025.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of providing postgraduate degrees and other short courses in music, sound design and business and management.

OBJECTIVES

- a) To continue to grow ThinkSpace Education Limited into a more substantial independent higher education provider.
- b) To develop a range of postgraduate courses that address the changing needs of the job market, while maintaining high levels of student retention and satisfaction.
- c) To develop new short courses and bootcamps.
- d) To develop new education technology to help differentiate ThinkSpace from other online providers.
- e) To comply with the ongoing and continuing conditions of registration with the Office for Students.

REVIEW OF BUSINESS

The company has had a successful year against a backdrop of significant changes in the market for both higher education and the creative industries which we serve. Rising costs set against flat income have reduced profit this year. We are reviewing our routine expenditure while maintaining focus on strategically important investment while continuing to respond quickly and effectively to changing student demand.

This year saw the change of validating partner from the University of Chichester (UoC) to the Arts University Bournemouth (AUB) which has already brought benefits for both students and the institution as a whole.

The transfer from UoC to AUB has gone very smoothly and the support, flexibility and greater strategic alignment of our new partner has produced much more effective administrative function. We have also begun collaborative projects with our students working with AUB students and those of the Bournemouth Film School. We are now exploring new types of postgraduate course with AUB including micro credentials and stackable credentials.

Applications for our degree courses has held up well despite a very uncertain market for postgraduate education in general. This year we introduced a new intake in May when we welcomed 23 students. Many of these might have applied for our September intake but introducing the May intake means no potential student has to wait more than four months before commencing their course. It also eases the burden on admissions staff by spreading the load more evenly across the year. Final preparation for the launch of our new Audio Post-Production MA have been made and everything is on course for a successful launch in September into what is a new subject area for us.

Short course production did not live up to our expectations and our short course income fell short of forecasts. This we believe is a combination of problems with the production process and changing nature of the market. That said as the year progressed we made significant improvements in our pipeline which has led to an increase in production. We have also reorganised production staff and that has led to greater effectiveness amongst the team. The biggest release of the year was a collaborative course with leading sample instrument developer Spitfire Audio. The course "Mastering Orchestral Composition with BBC SO" was sold jointly by TSE and Spitfire and reached a much wider audience as a consequence. We continue to explore further opportunities for collaboration in the future. Following last year's successful launch of the first of our bootcamp taught short courses, this is another area we are actively developing, with more bootcamp courses in the pipeline.

REVIEW OF BUSINESS (CONTINUED)

Our marketing has evolved and we have had success with a number of new initiatives attracting new potential students to TSE through free public webinars and other forms of content marketing. We are looking to develop a broader range of marketing activity and a more strategic approach to marketing in the coming year.

We continue to invest heavily in our technology and the development team has successfully completed a major project to move the Virtual Learning Environment (VLE) onto a new framework the final part of a project that has taken over two years to complete. There remains more work to do as we continue to find ways of automating administrative tasks and integrating AI into our course production workflow.

Despite some pessimism in the creative industries, our 2025 Employment Survey was extremely encouraging showing 75% of respondents had found work and 95% of that work was paid. This we believe shows the success of our employment focussed course structure and support that even in an increasingly difficult job market our graduates continue to succeed.

PRINCIPAL RISKS AND UNCERTAINTIES

The performance of the company is determined by student fee income balanced against costs including payroll, student support, regulatory compliance and course development. The market for both higher education and short courses is evolving rapidly, partly in response to the impact of AI. Lack of confidence in the creative job market is having an impact on student demand and confidence while the increasing use of AI agents like ChatGPT potentially undermines demand for more traditional online courses. We continue to evolve our offer to meet the needs of future creative professionals in a rapidly changing world. Our new learning technologies are designed to meet the changing needs of students in the future.

The directors are of the opinion that the exposure of the company to credit risk, liquidity risk and cash flow risk is well monitored and maintained at a satisfactory level.

Credit risk

The company's exposure to credit risk is limited to the carrying value of the financial assets at the year end. The maximum exposure to credit risk in relation to trade debtors is equivalent to balance at the year-end arising from the provision of interest free credit given to students during the period of their studies. The company has policies in place to ensure that sales are made to approved credit-worthy students to mitigate this risk.

The company is not exposed to any significant credit risk exposure to any single counterparty. The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

Liquidity and cash flows risk

Liquidity needs are monitored on a day-to-day basis. Students may pay termly invoices in full, but most prefer to arrange interest free credit with ThinkSpace so that fees are repaid monthly over the duration of the course. Any overdue payments are resolved quickly with the student.

The company maintains sufficient cash reserves at any time to finance all staff and non-staff expenditure over the next six months.

THINKSPACE EDUCATION LIMITED

STRATEGIC REPORT
for the year ended 31 July 2025

FINANCIAL KEY PERFORMANCE INDICATORS

The board considers the key performance indicators to be reported for the period as follows:

Financial performance indicators	2025	2024
	£	£
Turnover	1,918,331	1,833,876
Profit before tax	307,661	414,424
Net assets	1,112,971	983,026

FINANCIAL RESULTS

A summary of the results of the period's trading is given on page 16 of the financial statements.

FUTURE DEVELOPMENTS

We continue to develop new courses and exploit new opportunities in existing and new subject areas, where our innovative approach to online education for the creative industries can bring benefits to both students and the company alike.

ON BEHALF OF THE BOARD:

Guy Michelmore

.....
G A Michelmore - Director

Date: 15 December 2025

Corporate Governance and Statement of Internal Control

During 2024-25, the governance arrangements operated in accordance with the 5th Edition of the ThinkSpace Governance Framework.

ThinkSpace Education ("TSE") is a private company limited by shares. In March 2021, the Office for Students ("OFS"), the regulatory body for further and higher education in England, registered TSE in the Approved (fee cap) category.

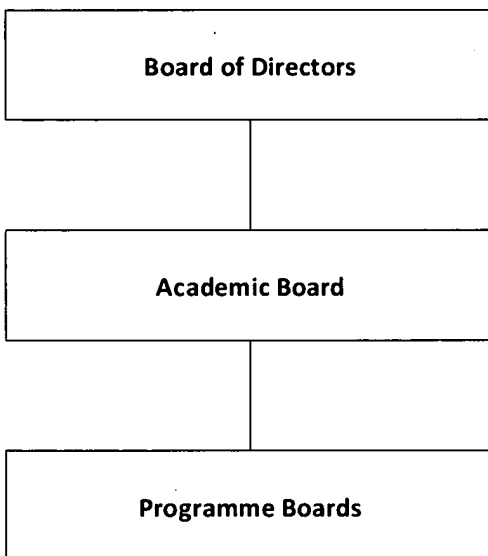
TSE offers a range of postgraduate degree courses and non-degree short courses. Degree courses are validated by the Arts University Bournemouth ("AUB") from 1 August 2024. Prior to this date, degree courses were validated by the University of Chichester ("UoC") and a small number of students who commenced their courses prior to 1 August 2024 have elected to have their degrees validated by UoC.

TSE is accountable for the quality and standards of academic awards granted in AUB's name. AUB has a number of requirements which TSE is expected to meet, including the provision of an annual report on the quality and standards of validated provision.

There are three key bodies in the governance structure of TSE:

- o The Board of Directors
- o Academic Board
- o Programme Boards

The reporting and communication lines between these bodies are described by the diagram below.



Board of Directors

The Board of Directors is the governing body of TSE and has overall responsibility for corporate and academic governance. Key areas of academic governance and decision-making are delegated to the Academic Board, which reports formally to the Board of Directors. Executive management is the responsibility of the Principal and CEO, who chairs both the Academic Management Committee and the Academic Board. Programme Boards fulfil a remit which brings together academic governance and management, and they report and communicate on relevant business to both the Academic Board and the Academic Management Committee.

**CORPORATE GOVERNANCE AND STATEMENT OF INTERNAL CONTROL
for the year ended 31 July 2025**

The constitution of the Board of Directors is set out in the Articles of Association (as amended from time to time) and stipulates that at least half of the directors shall be non-executives. Two executive directors founded TSE in 2018 and own 100% of the share capital of the company.

The Board of Directors supports the shareholder directors in the overall leadership of TSE, the setting of TSE's values and standards, its educational character and mission, and the safeguarding of its reputation. The Board has ultimate responsibility for ensuring TSE's ongoing compliance with the OFS conditions of registration, including the standards and quality of TSE's provision and the adequacy and effectiveness of academic governance.

The responsibilities of the Board of Directors are:

1. To set and agree the mission, strategic vision and values of TSE with the Principal and CEO.
2. To agree long-term academic and business plans and key performance indicators and ensure that these meet the interests of stakeholders, including staff, students and alumni.
3. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of TSE against the strategy, plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
4. To monitor the academic, corporate, financial, estate and human resource management of TSE through consideration of reports from the Principal and CEO, the management team and, where appropriate, externally commissioned consultants.
5. To keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by the Principal and CEO and under his authority.
6. To assure itself of the standards and quality of TSE's academic provision, and the adequacy and effectiveness of academic governance, through the consideration of data and reports from the Principal/CEO and the Academic Board, including the Annual Institutional Monitoring Report and associated enhancement plan.
7. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value for money arrangements and procedures for handling internal grievances and managing conflicts of interest.
8. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.
9. To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
10. To safeguard the good name and values of TSE.
11. To put in place suitable arrangements for monitoring the performance of the Principal and Chief Executive.
12. To appoint a Secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities within TSE, there is an appropriate separation in the lines of accountability.
13. To be accountable for ensuring that an appropriate human resources strategy is established.
14. To be the principal financial and business authority of TSE, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall accountability for TSE's assets, property and estate.
15. To be TSE's legal authority and, as such, to ensure systems are in place for meeting all of TSE's legal obligations, including those arising from contracts and other legal commitments made in TSE's name. This includes accountability for health, safety and security and for equality, diversity and inclusion.
16. To receive assurance that adequate provision has been made for the general welfare of students.
17. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of TSE.
18. To ensure that the constitution of TSE is always followed, and that appropriate advice is available to enable this to happen.
19. To promote a culture which supports inclusivity and diversity throughout TSE.
20. To maintain and protect the principles of academic freedom and freedom of speech legislation.
21. To ensure that all students and staff have opportunities to engage with the governance and management of TSE.

Public interest governance principles

The Higher Education and Research Act 2017 and the OFS regulatory framework require providers to uphold a number of public interest governance principles. These are listed below, with brief statements summarising the Board of Directors' commitment to upholding them:

Academic freedom: Academic staff at an English higher education provider have freedom within the law:

- to question and test received wisdom and
- to put forward new ideas and controversial or unpopular opinions without placing themselves in jeopardy of losing their jobs or privileges they may have at the provider. TSE fully endorses and adheres to the Academic Freedom and Freedom of Speech statement of its validating institution, the Arts University of Bournemouth.

Accountability: The Board of Directors takes responsibility for ensuring that TSE operates openly, honestly, accountably and with integrity and demonstrates the values appropriate to be recognised as an English higher education provider.

Student Engagement: The Board of Directors ensures that, through its group of student representatives, students have opportunities to engage with the governance of TSE, and that this allows for a range of perspectives to have influence. Students are represented on the Board of Directors, Academic Board and Programme Boards. Regular meetings are held with student representatives. There is an active dialogue between the student body and management and students are consulted on both minor changes to course content and delivery and the potential development of new programmes. TSE is an online provider and students may take part in meetings remotely through web conferencing software. Where they are unable to participate, recordings of meetings and minutes are disseminated for feedback and comment.

Academic governance: The Board of Directors receives and tests assurances that the academic governance of TSE is adequate and effective through explicit protocols with the Academic Board, which are set out in the terms of reference of the Board of Directors and the Academic Board.

Risk Management: The Board of Directors ensures that TSE operates comprehensive corporate risk management and control arrangements (including for academic risk) to ensure the sustainability of its operations, and its ability to continue to comply with its ongoing conditions of registration with the Office for Students.

Value for money: The Board of Directors provides assurance based on its consideration of evidence provided to it by the Principal/CEO that there are adequate and effective arrangements in place to provide transparency about value for money for all students and (in cases where its students have access to the student support system or to grant funding) for taxpayers.

Freedom of speech: The Board of Directors takes such steps as are reasonably practicable to ensure that freedom of speech within the law is secured within TSE. TSE fully endorses and adheres to the Academic Freedom and Freedom of Speech statement of its validating university, the Arts University of Bournemouth.

Governing Body: The size, composition, diversity, skills mix and terms of office of the Board of Directors is appropriate for the nature, scale and complexity of TSE and is kept under review.

Fit and proper: TSE operates appropriate processes to ensure that all members of the Board of Directors, senior management, and individuals exercising control or significant influence over TSE, are fit and proper persons.

THINKSPACE EDUCATION LIMITED

CORPORATE GOVERNANCE AND STATEMENT OF INTERNAL CONTROL for the year ended 31 July 2025

The Academic Board

The Academic Board is the senior academic committee of ThinkSpace Education (TSE). It has responsibility, delegated from the Board of Directors, for discussion and decision-making about academic policy, curriculum design and development, the organisation of teaching, assessment and research, academic standards, and the overall quality of learning opportunities. It is accountable to the Board of Directors for all academic matters and, through agreed mechanisms, is required to report formally to the Board in order to assure it that quality and standards are secure.

Programme Boards

Programme Boards are responsible for ensuring the continuing health and relevance of courses, the quality of learning materials, and the effectiveness of teaching, learning and assessment. They report to the Academic Board, taking account of the views of all stakeholders including students, staff, employers and University partners. They are accountable to the Academic Board for quality, standards and enhancement at programme and module level.

TSE is acutely aware of the need to continue developing its governance structure and processes as it grows and develops during the next five to ten years. The Board of Directors sets out its governance arrangements in a Governance Framework, which is reviewed and agreed every year.

The 5th Edition of TSE's Governance Framework was agreed by the Board of Directors in July 2024 and applies to governance arrangements for 2024-25. The Board has drawn upon the 2018 and 2020 editions of the Committee of University Chairs' ("CUC") Higher Education Code of Governance and its Six Primary Elements of Higher Education Governance. In addition, The Board of Directors has considered TSE's governance arrangements with the Code of Governance for Independent Providers of Higher Education and has amended the structure and processes, where appropriate, taking into account TSE's relatively small size.

Key governance developments 2024-25

- Implementation of recommendations and suggestions of the external review of TSE's governance structure and processes received in March 2024.
- The Board approved the formation of a Remuneration Committee to consider senior staff remuneration.
- Academic Board meetings now contain a standing agenda item to carefully consider how TSE continues to meet Condition B of the OfS's Ongoing Conditions of Registration.
- The Board appointed a Head of Equality, Diversity and Inclusion ("EDI") and agreed a plan to enhance understanding of EDI with students and staff.
- The Arts University Bournemouth was appointed as the new validating partner of degree courses from August 2024 and considerable work was undertaken to ensure that there was a smooth and successful transition from the previous validating institution.

Statement of Internal Control

The Board of Directors has responsibility for ensuring a sound system of internal control for the prevention and detection of corruption, fraud, bribery and other irregularities. The internal controls support the aims, policies and objectives of TSE whilst safeguarding public and other funds and assets for which it is responsible.

The system of internal control is risk driven. TSE has a Risk Strategy, together with a Risk Register, which is reviewed at least twice per annum. The register evaluates risks in terms of the likelihood of occurrence and the level of impact that they would have if they did occur. Net risks are then evaluated after taking into account mitigation actions mainly determined by the internal controls applying to the respective risk. This ensures that risk management is an integral part of TSE's planning and review process.

The Board of Directors has a Risk Management Strategy, which is reviewed at least twice per annum, and ensures that risk management is an integral part of TSE's planning and review processes.

Guiding principles of governance

The Risk Management Strategy requires that a risk register is maintained and updated regularly. The register evaluates the risks in terms of the likelihood of occurrence and the level of impact that they would have if they did occur. Net risks are then evaluated after taking into account mitigation actions, mainly determined by the internal controls applying to the respective risk.

The Board of Directors receives a report from the Principal/CEO at least once per year on the effectiveness of the system of internal control and management of risk. The key elements of TSE's system of internal control include:

- Clear definitions of the responsibilities of, and the authority delegated to, the Principal and CEO.
- A budgeting process agreed by the Board of Directors annually which includes projections of income and expenditure and statement of financial position for the next five financial years
- Reviews of financial results throughout the year compared to budget and quarterly reports of key performance indicators.
- Clearly defined and formalised requirements for the approval and control of expenditure.
- Identification and management of risk by the executives with regular reporting to the Board of Directors on operational, financial and compliance risks.

There were no significant weaknesses or failures arising during the financial year or after the year-end.

TSE does not engage an internal auditor because it is a relatively small institution but the Board may engage an independent firm to conduct an internal audit on specific matters (such as reporting on the effectiveness of selected internal controls).

This statement of internal controls explicitly relates to the period covered by the financial statements and the period up to the date of approval of the audited financial statements.

THINKSPACE EDUCATION LIMITED

REPORT OF THE DIRECTORS for the year ended 31 July 2025

The directors present their report with the financial statements of the company for the year ended 31 July 2025.

DIVIDENDS

The directors have recommended the payment of a £100,000 dividend (2024: £250,000) for the period under review.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2024 to the date of this report.

G A Michelmore
Mrs E J Michelmore
B A Troise
M S Wyard
J Garnham
Prof S Kinnear

DONATIONS AND EXPENDITURE

During the year the company donated £2,686 (2024: £2,104) to various UK charities.

DISCLOSURE IN THE STRATEGIC REPORT

The company has opted to include matters of strategic importance within the strategic report which would otherwise be disclosed within the directors' report in accordance with section 414 (11) of the Companies Act 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

THINKSPACE EDUCATION LIMITED

**REPORT OF THE DIRECTORS
for the year ended 31 July 2025**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

Guy Michelmore

.....
G A Michelmore - Director

Date: 15 December 2025

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THINKSPACE EDUCATION LIMITED**

Opinion

We have audited the financial statements of ThinkSpace Education Limited (the 'company') for the year ended 31 July 2025 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 Financial Reporting Standard 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 July 2025 and of its profit 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 Auditors' 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.

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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Opinions on other matters prescribed by the Office for Students (OfS) "Regulatory Advice 9: Accounts Direction"

- In our opinion, in all material respects the requirements of the OfS's accounts direction have been met

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THINKSPACE EDUCATION LIMITED

Matters on which we are required to report by exception

In the 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 or the Report of the Directors.

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Other matters prescribed by the Office for Students

We have nothing to report in respect of the following matters in relation to which the Office for Students (OfS) requires us to report to you in Regulatory advice 9: Accounts direction, if in our opinion, in all material respects:

- where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- where applicable, funds provided by OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions;
- the requirements of the OfS's accounts direction have been met;
- the providers grant and fee income, as disclosed in the accounts, has not been materially misstated

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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 either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

Extent to which the audit was considered of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THINKSPACE EDUCATION LIMITED**

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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. This description forms part of our Report of the Auditors.

Use of our 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 a Report of the Auditors 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.

Fairhurst Audit Services Ltd

Louise Webster BSc BFP ACA (Senior Statutory Auditor)
for and on behalf of Fairhurst Audit Services Ltd
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

Date: 16 December 2025

THINKSPACE EDUCATION LIMITED**STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 July 2025**

	Notes	2025 £	2024 £
TURNOVER	5	1,918,331	1,833,876
Cost of sales		<u>(687,354)</u>	<u>(678,986)</u>
GROSS PROFIT		1,230,977	1,154,890
Administrative expenses		<u>(948,699)</u>	<u>(763,980)</u>
OPERATING PROFIT	7	282,278	390,910
Interest receivable and similar income		<u>25,383</u>	<u>23,514</u>
PROFIT BEFORE TAXATION		307,661	414,424
Tax on profit	8	<u>(77,716)</u>	<u>(102,958)</u>
PROFIT FOR THE FINANCIAL YEAR		229,945	311,466
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>229,945</u></u>	<u><u>311,466</u></u>

The notes form part of these financial statements

THINKSPACE EDUCATION LIMITED (REGISTERED NUMBER: 11653780)

STATEMENT OF FINANCIAL POSITION

31 July 2025

	Notes	2025 £	2024 £
FIXED ASSETS			
Intangible assets	10	288,442	289,363
Tangible assets	11	<u>23,378</u>	<u>20,465</u>
		<u>311,820</u>	<u>309,828</u>
CURRENT ASSETS			
Debtors	12	236,324	182,048
Cash at bank		<u>1,132,913</u>	<u>1,043,312</u>
		1,369,237	1,225,360
CREDITORS			
Amounts falling due within one year	13	<u>(499,706)</u>	<u>(489,312)</u>
NET CURRENT ASSETS		<u>869,531</u>	<u>736,048</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,181,351	1,045,876
PROVISIONS FOR LIABILITIES	15	<u>(68,380)</u>	<u>(62,850)</u>
NET ASSETS		<u>1,112,971</u>	<u>983,026</u>
CAPITAL AND RESERVES			
Called up share capital	16	10,000	10,000
Share premium	17	89,982	89,982
Retained earnings	17	<u>1,012,989</u>	<u>883,044</u>
SHAREHOLDERS' FUNDS		<u>1,112,971</u>	<u>983,026</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 December 2025 and were signed on its behalf by:

Guy Michelmore

.....
G A Michelmore - Director

John Garnham

.....
J Garnham - Director

The notes form part of these financial statements

THINKSPACE EDUCATION LIMITED

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 July 2025

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 August 2023	10,000	821,578	89,982	921,560
Changes in equity				
Total comprehensive income	-	311,466	-	311,466
Dividends	-	(250,000)	-	(250,000)
Balance at 31 July 2024	<u>10,000</u>	<u>883,044</u>	<u>89,982</u>	<u>983,026</u>
Changes in equity				
Total comprehensive income	-	229,945	-	229,945
Dividends	-	(100,000)	-	(100,000)
Balance at 31 July 2025	<u>10,000</u>	<u>1,012,989</u>	<u>89,982</u>	<u>1,112,971</u>

The notes form part of these financial statements

THINKSPACE EDUCATION LIMITED**STATEMENT OF CASH FLOWS
for the year ended 31 July 2025**

		2025	2024
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	352,380	604,223
Interest received		25,383	23,514
Tax paid		<u>(89,186)</u>	<u>(48,508)</u>
Net cash from operating activities		<u>288,577</u>	<u>579,229</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(84,993)	(87,696)
Purchase of tangible fixed assets		<u>(13,983)</u>	<u>(11,169)</u>
Net cash from investing activities		<u>(98,976)</u>	<u>(98,865)</u>
Cash flows from financing activities			
Equity dividends paid		<u>(100,000)</u>	<u>(250,000)</u>
Net cash from financing activities		<u>(100,000)</u>	<u>(250,000)</u>
Increase in cash and cash equivalents		89,601	230,364
Cash and cash equivalents at beginning of year	2	<u>1,043,312</u>	<u>812,948</u>
Cash and cash equivalents at end of year	2	<u><u>1,132,913</u></u>	<u><u>1,043,312</u></u>

The notes form part of these financial statements

THINKSPACE EDUCATION LIMITED

**NOTES TO THE STATEMENT OF CASH FLOWS
for the year ended 31 July 2025**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2025	2024
	£	£
Profit before taxation	307,661	414,424
Depreciation charges	10,808	9,099
Loss on disposal of fixed assets	262	-
Amortisation charges	85,914	52,411
Finance income	<u>(25,383)</u>	<u>(23,514)</u>
	379,262	452,420
(Increase)/decrease in trade and other debtors	(54,276)	663
Increase in trade and other creditors	<u>27,394</u>	<u>151,140</u>
Cash generated from operations	<u>352,380</u>	<u>604,223</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 July 2025

	31.7.25	1.8.24
	£	£
Cash and cash equivalents	<u>1,132,913</u>	<u>1,043,312</u>

Year ended 31 July 2024

	31.7.24	1.8.23
	£	£
Cash and cash equivalents	<u>1,043,312</u>	<u>812,948</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.24	Cash flow	At 31.7.25
	£	£	£
Net cash			
Cash at bank	<u>1,043,312</u>	<u>89,601</u>	<u>1,132,913</u>
	<u>1,043,312</u>	<u>89,601</u>	<u>1,132,913</u>
Total	<u>1,043,312</u>	<u>89,601</u>	<u>1,132,913</u>

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

ThinkSpace Education Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company information page. The principal place of business is 119 Third Avenue, Aldmington, West Sussex, PO20 7LB.

2. **STATEMENT OF COMPLIANCE**

These financial statements have been prepared in compliance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and the Financial Reporting Standard 102 (FRS 102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

Unless indicated otherwise in the accounting policies below, the financial statements have been prepared under the historical cost convention.

The functional currency of the company is Pounds Sterling (£). Monetary amounts in these financial statements are rounded to the nearest £.

Turnover

Turnover represents the fair value of consideration receivable from the provision of educational courses in the ordinary course of the business, excluding Value Added Tax. Turnover is recognised by reference to the stage of completion, when the costs incurred and the costs to complete can be reliably estimated. Where the outcome cannot be reliably estimated, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Turnover comprises of the following:

Turnover from degree courses represents the tuition fees received from MA and MFA courses. A deposit is initially recognised to reflect the up front administrative costs for providing the course, with the balance of tuition fees being recognised equally over the period of study.

Turnover from premium courses represents the fees from the provision of commercial online digital short courses. This is recognised when the student is enrolled on the course.

Turnover from funding bodies relates to revenue grants receivable from the Office for Students. These are accounted for under the accruals model recognised when the company is entitled to the income and the grant can be reliably estimated.

Other income represents the application fees and bundled course packages for students along with software sales income. Income is recognised upon the sale of the course package or software sale, which is when the invoice is raised.

3. **ACCOUNTING POLICIES - continued**

Interest receivable

Interest receivable relates to bank deposit account interest and is recognised using the effective interest rate method.

Intangible assets

Intangible assets include website and IT development costs for interactive online courses and video platforms. The platforms, once development is complete, will provide an enhanced learning platform for students and has been recognised as a fixed asset on this basis.

Intangible assets also include development costs for new online degree courses which will be available for sale.

Development costs are stated at historical costs less accumulated amortisation. Historical cost includes expenditure that is directly attributable to bringing the asset to the condition necessary for use, including staff time spent on the development of the intangible assets.

Amortisation is provided to allocate the costs of assets less their residual value over their useful estimated lives. Amortisation is charged when the development of the asset is complete on the following basis:

Course development - 5 years straight line

Website development - 4 years straight line

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

Tangible fixed assets

Tangible fixed assets are stated at historical price less accumulated depreciation. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for use.

Depreciation is provided to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis.

Computer equipment - 25% straight line basis

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

On disposal the difference between the net proceeds and the carrying amount of the item disposed of is recognised in the statement of comprehensive income and is included within administrative expenses.

3. ACCOUNTING POLICIES - continued

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial instruments are classified as basic or non-basic following the conditions of FRS 102 Section 11. Basic financial instruments are initially measured at transaction price (including transaction cost) and subsequently recognised at amortised cost using the effective interest method. The company has no financial assets nor liabilities which are measured at fair value through profit and loss.

Trade and other debtors are initially recognised at the transaction price, including any transaction and are subsequently measured at amortised cost. Trade debtors which constitute a financing transaction are initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest. The interest received is recognised in the income statement.

At the end of reporting period the company assess whether there is any objective evidence of impairment. A provision is made for any doubtful debts. Bad debts are written off when these are identified.

Cash and cash equivalents comprise of cash at bank and in hand, and are included in the statement of financial position at cost.

Trade and other creditors are initially measured at the transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method. Where a liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

Taxation

Taxation comprises of current and deferred tax.

Current tax is the amount of corporation 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the statement of financial position date. Deferred tax is measured on a non-discounted basis.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

4. **SIGNIFICANT JUDGEMENTS AND ESTIMATES**

The preparation of the financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect reported amounts of assets, liabilities and profit and loss. In preparing these financial statements, management have made the following key judgements and estimates which are significant to the financial statements.

Capitalisation of staff costs

Staff costs are capitalised only to the extent they are incremental to the development process of bringing the interactive courses and video platforms into their intended use.

Management determine whether the company will recognise an asset from the staff costs incurred if such costs meet all the following criteria:

- a) the costs relate directly to the development of the interactive courses and video platforms that the company can specifically identify
- b) the costs generate or enhance resources for the company that will be used in satisfying performance obligations in the future
- c) the costs are expected to be recovered.

Such staff costs will be amortised on a systematic basis over the useful life of the asset recognised.

5. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	Year Ended 31.7.25	Year Ended 31.7.24
	£	£
Tuition fees for postgraduate taught awards	1,284,091	1,110,803
Premium course fees	557,627	554,839
Grant income from OfS	71,031	152,569
Other income	<u>5,582</u>	<u>15,665</u>
	<u>1,918,331</u>	<u>1,833,876</u>

Tuition fees for postgraduate taught awards includes income of £3,621 (2024: £14,814) receivable from The University of Chichester under a subcontract arrangement for 1 (2024: 1) FTE student.

The OfS grant income includes £71,031 (2024: £141,164) for recurrent teaching grants and £Nil (2024: £11,405) for capital grants.

Premium course fees related to commercial short courses. See turnover policy for more information.

THINKSPACE EDUCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 July 2025**

An analysis of turnover by geographical market is given below:

	Tuition fees for postgraduate taught awards and grants Year Ended 31.7.25 £	Premium course fees & other income Year Ended 31.7.25 £	Total income Year Ended 31.7.25 £
United Kingdom	622,903	116,802	739,705
Europe	235,347	147,973	383,320
Rest of the World	496,872	298,434	795,306
	<u>1,355,122</u>	<u>563,209</u>	<u>1,918,331</u>

	Tuition fees for postgraduate taught awards and grants Year Ended 31.7.24 £	Premium course fees & other income Year Ended 31.7.24 £	Total income Year Ended 31.7.24 £
United Kingdom	480,462	116,263	596,725
Europe	161,269	154,692	315,961
Rest of the World	621,641	299,549	921,190
	<u>1,263,372</u>	<u>570,504</u>	<u>1,833,876</u>

6. EMPLOYEES AND DIRECTORS

	2025 £	2024 £
Wages and salaries	638,507	471,636
Social security costs	54,715	38,759
Other pension costs	12,873	10,325
	<u>706,095</u>	<u>520,720</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 July 2025

6. EMPLOYEES AND DIRECTORS - continued

This is analysed between Academic and Non-Academic staff as follows: £142,947 (2024: £132,707) and Non-Academic costs were £563,148 (2024: £388,013).

The full-time equivalent number of employees during the year was as follows:

	2025	2024
Academic	2.81	2.77
Non-Academic	<u>14.23</u>	<u>10.95</u>
	<u>17.04</u>	<u>13.72</u>

Staff costs above exclude costs of £Nil (2024: £1,253) in respect of work undertaken on the development of the interactive online courses and video platforms which have been capitalised within intangible fixed assets.

The average number of employees is based on headcount as required by the Companies Act 2006 is 22 (2024: 17), which includes 3 directors (2024: 3).

During the year, a total of key management personnel compensation of £217,956 (2024 - £148,898) was paid. Key management personnel compensation includes amounts paid to directors. Further information is provided in the related party note in relation to third party fees paid to directors.

There are no staff (2024: Nil) with a full-time equivalent basic salary over £100,000.

During the year the CEO, Guy Michelmore, was paid total remuneration of £59,600 (2024: £134,600). This consisted of gross salary of £9,600 (2024: £9,600) and dividends of £50,000 (2024: £125,000). For the Office for Students reporting requirements dividends are included within the remuneration ratio calculation below but in the accounts are treated as equity compensation. The framework for the remuneration policy of the CEO is set by the Board of Directors and specifies a maximum dividend which may be taken depending on the performance of the company.

The CEO's contractual salary of £9,600 is set at a nominal level and is below market rates for a role of this nature. To ensure overall remuneration reflects company performance, the CEO's income is primarily derived from dividends declared by the Board of Directors. These dividends are linked to the liquidity of the business and will therefore vary from year to year, based on actual results, cash flow, and the company's long-term financial sustainability.

Relationship between CEO remuneration (salary, dividends, taxable benefits and employers pension contribution) and all other employees remuneration:

	2025	2024
	£	£
CEO Salary	9,600	9,600
CEO Remuneration	59,600	134,600
Median Salary of all other staff	35,627	36,893
Median Remuneration of all other staff	37,567	38,205
Pay Multiple (Median Salary)	0.3	0.3
Pay Multiple (Median Remuneration)	1.6	3.5

Total remuneration paid to Directors was as follows:

	2025	2024
	£	£
Directors' remuneration	64,200	59,933
Directors' pension contributions to money purchase schemes	<u>1,122</u>	<u>1,035</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 July 2025

7. OPERATING PROFIT

The operating profit is stated after charging:

	2025	2024
	£	£
Depreciation - owned assets	10,808	9,099
Loss on disposal of fixed assets	262	-
Website development amortisation	65,823	32,319
Course development amortisation	20,091	20,092
Auditors' remuneration	6,900	6,870
Foreign exchange differences	<u>11,130</u>	<u>9,082</u>

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2025	2024
	£	£
Current tax:		
UK corporation tax	73,000	90,000
Relating to prior year	<u>(814)</u>	<u>(1,492)</u>
Total current tax	72,186	88,508
Deferred tax - origination and reversal of timing differences	<u>5,530</u>	<u>14,450</u>
Tax on profit	<u>77,716</u>	<u>102,958</u>

UK corporation tax has been charged at 25% (2024 - 25%).

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2025	2024
	£	£
Profit before tax	<u>307,661</u>	<u>414,424</u>
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2024 - 25%)	76,915	103,606
Effects of:		
Expenses not deductible for tax purposes	709	-
Adjustments to tax charge in respect of previous periods	(814)	(1,492)
Rounding	<u>906</u>	<u>844</u>
Total tax charge	<u>77,716</u>	<u>102,958</u>

THINKSPACE EDUCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 July 2025**

9. DIVIDENDS

	2025 £	2024 £
Ordinary shares of £1 each		
Interim	<u>100,000</u>	<u>250,000</u>

10. INTANGIBLE FIXED ASSETS

	Website development £	Course development £	Totals £
COST			
At 1 August 2024	263,293	100,456	363,749
Additions	<u>84,993</u>	<u>-</u>	<u>84,993</u>
At 31 July 2025	<u>348,286</u>	<u>100,456</u>	<u>448,742</u>
AMORTISATION			
At 1 August 2024	32,319	42,067	74,386
Amortisation for year	<u>65,823</u>	<u>20,091</u>	<u>85,914</u>
At 31 July 2025	<u>98,142</u>	<u>62,158</u>	<u>160,300</u>
NET BOOK VALUE			
At 31 July 2025	<u>250,144</u>	<u>38,298</u>	<u>288,442</u>
At 31 July 2024	<u>230,974</u>	<u>58,389</u>	<u>289,363</u>

11. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 August 2024	48,100
Additions	13,983
Disposals	<u>(7,030)</u>
At 31 July 2025	<u>55,053</u>
DEPRECIATION	
At 1 August 2024	27,635
Charge for year	10,808
Eliminated on disposal	<u>(6,768)</u>
At 31 July 2025	<u>31,675</u>
NET BOOK VALUE	
At 31 July 2025	<u>23,378</u>
At 31 July 2024	<u>20,465</u>

THINKSPACE EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 July 2025

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade debtors	191,659	121,910
Prepayments and accrued income	<u>44,665</u>	<u>60,138</u>
	<u>236,324</u>	<u>182,048</u>

An impairment loss of £4,828 (2024: £24,250) was recognised in administrative expenses against trade debtors during the year due to bad and doubtful debts.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade creditors	58,338	46,005
Corporation tax	73,000	90,000
Social security and other taxes	13,717	12,905
VAT	11,275	10,185
Other creditors	12,213	10,580
Payments on account	37,525	52,299
Accruals and deferred income	<u>293,638</u>	<u>267,338</u>
	<u>499,706</u>	<u>489,312</u>

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2025	2024
	£	£
Within one year	10,071	10,071
Between one and five years	<u>2,518</u>	<u>12,590</u>
	<u>12,589</u>	<u>22,661</u>

Lease payments of £12,087 (2024 - £12,087) have been recognised as an expense during the year. This includes irrecoverable VAT.

15. PROVISIONS FOR LIABILITIES

	2025	2024
	£	£
Deferred tax	<u>68,380</u>	<u>62,850</u>

	Deferred tax
	£
Balance at 1 August 2024	62,850
Accelerated capital allowances	<u>5,530</u>
Balance at 31 July 2025	<u>68,380</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 July 2025

15. PROVISIONS FOR LIABILITIES - continued

The deferred tax liability at the year-end represents accelerated capital allowances recognised at the main Corporation tax rate of 25% (2024: 25%).

The amount of the net reversal of deferred tax expected to occur next year is £19,570 relating to the unwinding of capital allowances through depreciation.

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2025	2024
		£1	£	£
10,000	Ordinary		<u>10,000</u>	<u>10,000</u>

The company has one class of ordinary shares which carry full voting rights and also carry equal rights to income and capital distributions on the winding up of the company.

17. RESERVES

	Retained earnings	Share premium	Totals
	£	£	£
At 1 August 2024	883,044	89,982	973,026
Profit for the year	229,945		229,945
Dividends	<u>(100,000)</u>		<u>(100,000)</u>
At 31 July 2025	<u>1,012,989</u>	<u>89,982</u>	<u>1,102,971</u>

Retained earnings includes all current period and prior period profits and losses which are distributable.

Share premium represents the amount paid for ordinary shares in excess of the nominal value.

18. PENSION COMMITMENTS

The company operates a defined contribution plan for all employees. The pension costs for the period of £12,873 (2024: £10,325) represents contributions payable by the company to the fund. There were outstanding contributions of £1,045 (2024: £960) at the year end included within the statement of financial position.

19. RELATED PARTY DISCLOSURES

During the period the company was invoiced £19,633 plus VAT (2024: £19,415) from a company under common control for shared costs including premises rent, utilities and insurance. Of this amount, £1,724 (2024: £1,768) is included within trade creditors at the year end.

Also, during the year, the company was invoiced £15,917 (2024: £19,317) for consultancy services provided by companies which have directors in common. Additionally, directors received £6,053 (2024: £12,582) for non-executive director services. Of this amount, £5,610 (2024: £3,341) is included within trade creditors at the year end.

THINKSPACE EDUCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 July 2025**

20. ULTIMATE CONTROLLING PARTY

The ultimate controlling parties are G A Michelmore and E J Michelmore by virtue of their shareholding in the company.