

Company Registration No. 01293463 (England and Wales)

**INSTILL EDUCATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015**

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INSTILL EDUCATION LIMITED

COMPANY INFORMATION

Director	T Gins
Secretary	Diamond College Limited
Company number	01293463
Registered office	38 Binsey Lane Oxford OX2 0EY
Auditors	RSM UK Audit LLP Chartered Accountants Hartwell House 55-61 Victoria Street Bristol BS1 6AD
Bankers	HSBC Bank Plc Apex Plaza Reading Berkshire RG1 1AX

INSTILL EDUCATION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The director presents the strategic report and financial statements for the year ended 31 December 2015.

Fair review of the business

The Board has focused on the continual enhancement of course quality combined with the selective reduction of costs, with commensurate improvement in profitability. An overview of the OISE group business activity in the period, including future developments, can be seen in the Directors' Report of the group's annual report, which does not form part of this report.

Future developments

Details of future developments can be seen in the Directors' Report of the consolidated financial statements of the company's parent, OISE Holdings Limited.

Key performance indicators

The directors of OISE Holdings Limited manage the group's operations on a divisional basis. For this reason, the company's director believes that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance and position of the business of Instill Education Limited. The key performance indicators of OISE Holdings Limited are discussed in the Directors' Report of the group's annual report, which does not form part of this report.

Matters of strategic importance

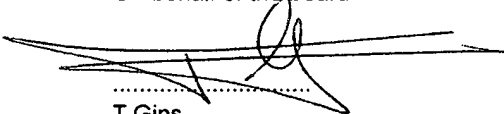
The company has operating and financial procedures designed to minimise risk. The key risks to which the business is exposed are reviewed regularly by senior management and the Board of OISE Holdings Limited.

The major risks to which the business is exposed are in relation to the demand for language services, maintenance and extension of the client base and the recruitment and retention of skilled employees in all areas of the business.

These risks are managed by anticipating customer trends, evaluating new markets and sectors and optimising staff deployment with performance related remuneration policies.

Potential liabilities arising from the company's operations are managed through appropriate contractual terms and condition reinforced by suitable insurance arrangements.

On behalf of the board



T Gins

Director

12/9/2016

INSTILL EDUCATION LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The director presents his annual report and financial statements for the year ended 31 December 2015.

Principal activities

The company is principally engaged in arranging language courses for overseas students.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

T Gins

Results and dividends

The results for the year are set out on page 5. No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Disabled persons

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retain them in order that their employment with the company may continue. It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

Employee involvement

The company has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the company.

Financial risk management objectives and policies

The financial risk management objectives of the company and the group in relation to financial instruments are set by the director with a view to minimising exposure to price risk, credit risk, liquidity risk and cash flow risk. The use of derivative instruments will be considered to mitigate risks or enhance returns, subject to strict control of exposures. No derivatives were used during the year.

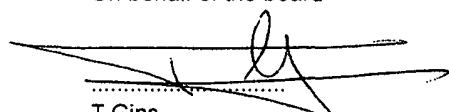
Auditor

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) have indicated their willingness to continue in office and their reappointment will be proposed in accordance with section 485 of the Companies Act 2006.

Statement of disclosure to auditor

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



T Gins

Director

12/1/2016

INSTILL EDUCATION LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

The director is responsible for preparing the Strategic Report and the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies 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 company will continue in business.

The director is 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. He is 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTILL EDUCATION LIMITED

We have audited the financial statements on pages 5 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of director and auditor

As more fully explained in the Director's Responsibilities Statement set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.

RSM UK audit LLP

Heather Wheelhouse ACA (Senior Statutory Auditor)

for and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor
Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol

BS1 6AD

29/9/16

INSTILL EDUCATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	18,141,640	22,919,761
Cost of sales		(9,607,581)	(11,859,893)
Gross profit		8,534,059	11,059,868
Administrative expenses		(9,087,473)	(10,545,673)
Operating (loss)/profit	4	(553,414)	514,195
Taxation	6	(42,533)	(107,571)
(Loss)/profit for the financial year	15	(595,947)	406,624
Other comprehensive income net of taxation			
Foreign currency translation differences		19	(16)
Total comprehensive (loss)/income for the year		(595,928)	406,608

The income statement has been prepared on the basis that all operations are continuing operations.

INSTILL EDUCATION LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	Notes	2015 £	2014 £
Fixed assets			
Goodwill	7	795,046	865,264
Tangible assets	8	3,144,131	2,137,380
		<u>3,939,177</u>	<u>3,002,644</u>
Current assets			
Debtors	9	3,746,179	9,057,668
Cash at bank and in hand		5,902,514	2,596,315
		<u>9,648,693</u>	<u>11,653,983</u>
Creditors: amounts falling due within one year	10	<u>(2,499,338)</u>	<u>(3,019,657)</u>
Net current assets		<u>7,149,355</u>	<u>8,634,326</u>
Total assets less current liabilities		<u>11,088,532</u>	<u>11,636,970</u>
Provisions for liabilities	11	<u>(140,826)</u>	<u>(93,336)</u>
Net assets		<u><u>10,947,706</u></u>	<u><u>11,543,634</u></u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss reserves	15	10,947,606	11,543,534
Total equity		<u><u>10,947,706</u></u>	<u><u>11,543,634</u></u>

The financial statements were approved and signed by the director and authorised for issue on 12/9/2016



T Gins
Director

INSTILL EDUCATION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2014	100	11,136,926	11,137,026
Year ended 31 December 2014:			
Profit and total comprehensive income for the year	-	406,624	406,624
Foreign currency translation differences	-	(16)	(16)
Balance at 31 December 2014	100	11,543,534	11,543,634
Year ended 31 December 2015:			
Loss and total comprehensive income for the year	-	(595,947)	(595,947)
Foreign currency translation differences	-	19	19
Balance at 31 December 2015	100	10,947,606	10,947,706

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Instill Education Limited is a company limited by shares incorporated in England and Wales. The registered office is 38 Binsey Lane, Oxford, OX2 0EY.

The company's principal activities are disclosed in the Director's Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Transition to FRS102

These financial statements are the first financial statements of Instill Education Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Instill Education Limited for the year ended 31 December 2014 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Having considered the company's financial position on 1 January 2014 (the date of transition to FRS 102) and its result for the comparative period ended 31 December 2014, the directors have concluded that no adjustments are required to the figures as previously reported for (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP.

Reduced disclosures

The company is a qualifying entity under the FRS 102 Reduced Disclosure Framework and has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values, details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of OISE Holdings Limited. The consolidated financial statements of OISE Holdings Limited are available from Companies House.

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Turnover

Turnover shown in the profit and loss account represents income, excluding Value Added Tax, for courses which have run during the year. Income received in advance for courses running in future financial periods is deferred and released to turnover in those periods. The turnover and profit before tax are attributable to the one principal activity of the company arising in the United Kingdom.

Intangible fixed assets - goodwill

Goodwill represents the excess of cost of acquisition over the fair value of the separable net assets acquired and is amortised to profit or loss in equal instalments over its useful life which is considered to be 20 years.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Short-term leasehold improvements	Over the period of the lease
Fixtures & fittings	10%-25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Basic financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income or equity.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are not taxable or deductible, or that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Foreign exchange

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Useful economic lives of tangible assets

The annual depreciation charge is sensitive to any changes in the estimated useful life and residual values of tangible assets. The useful economic lives and residual value is assessed on an annual basis and are amended only when evidence shows a change in the estimated economic lives or residual life. Criteria used to assess the economic life and residual value includes technological advancement, economic utilisation, physical condition of the asset and future investments.

Impairment of debtors

On a periodic basis management makes an estimation of the recoverability of debtors. Management makes such estimations based on the credit rating of debtors, the ageing profile, and historical experience.

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2015 £	2014 £
Turnover analysed by class of business		
Provision of language courses for overseas students	18,141,640	22,919,761

Turnover analysed by geographical market

	2015 £	2014 £
United Kingdom	18,141,640	22,919,761

4 Operating (loss)/profit

	2015 £	2014 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	14,095	(1,617)
Depreciation of owned tangible fixed assets	365,868	350,797
Amortisation of intangible assets	70,218	70,218
Operating lease charges	1,038,886	1,038,886

The auditor has been remunerated through the parent company OISE Limited. Depreciation of owned tangible fixed assets and amortisation of intangible assets is included in administrative expenses.

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Teaching	362	442
Administrative	84	91
	446	533

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2015**

5 Employees (Continued)

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	5,814,480	6,455,190
Social security costs	410,538	414,196
Pension costs	84,424	81,194
	<u>6,309,442</u>	<u>6,950,580</u>

During the current year and the prior year the director was remunerated by OISE Limited, for which no specific recharge was made.

6 Taxation

	2015 £	2014 £
Current tax		
UK corporation tax on profits for the current period	-	87,149
Adjustments in respect of prior periods	(4,957)	5,263
Total current tax	<u>(4,957)</u>	<u>92,412</u>
Deferred tax		
Origination and reversal of timing differences	51,124	15,159
Changes in tax rates	(9,967)	-
Adjustment in respect of prior periods	6,333	-
Total deferred tax	<u>47,490</u>	<u>15,159</u>
Total tax charge	<u>42,533</u>	<u>107,571</u>

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

6 Taxation (Continued)

The charge for the year can be reconciled to the (loss)/profit per the income statement as follows:

	2015 £	2014 £
(Loss)/profit before taxation	(553,414)	514,195
Expected tax charge based on a corporation tax rate of 20.25% (2014 - 21.49%)	(112,048)	110,501
Tax effect of expenses not deductible for tax purposes	23,893	27,071
Adjustments in respect of prior years	(4,957)	5,263
Group relief	146,324	(34,343)
Permanent capital allowances in excess of depreciation	-	(1,992)
Deferred tax adjustments in respect of prior years	6,333	-
Sundry tax adjustments	-	1,071
Adjust deferred tax to average rate	(16,347)	-
Additional deduction for land remediation expenditure	(665)	-
Tax expense for the year	42,533	107,571

Factors that may affect future tax charges

Under legislation substantively enacted on 26 October 2015, the main rate of corporation tax will be reduced to 19% from 1 April 2017 and to 18% from 1 April 2020.

7 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2015 and 31 December 2015	1,404,359
Amortisation and impairment	
At 1 January 2015	539,095
Amortisation charged for the year	70,218
At 31 December 2015	609,313
Carrying amount	
At 31 December 2015	795,046
At 31 December 2014	865,264

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2015**

8 Tangible fixed assets

	Short-term leasehold improvements	Fixtures & fittings	Total
	£	£	£
Cost			
At 1 January 2015	1,416,326	2,015,090	3,431,416
Additions	1,131,414	241,205	1,372,619
At 31 December 2015	2,547,740	2,256,295	4,804,035
Depreciation and impairment			
At 1 January 2015	460,956	833,080	1,294,036
Depreciation charged in the year	137,638	228,230	365,868
At 31 December 2015	598,594	1,061,310	1,659,904
Carrying amount			
At 31 December 2015	1,949,146	1,194,985	3,144,131
At 31 December 2014	955,370	1,182,010	2,137,380

9 Debtors

	2015	2014
	£	£
Amounts falling due within one year:		
Trade debtors	505,999	263,347
Corporation tax recoverable	-	62,549
Amounts due from group undertakings	2,855,051	8,155,532
Other debtors	600	-
Prepayments and accrued income	384,529	576,240
	3,746,179	9,057,668

10 Creditors: amounts falling due within one year

	2015	2014
	£	£
Obligations under finance leases	-	346
Payments received on account	1,200,710	1,279,145
Trade creditors	499,918	527,861
Amounts due to group undertakings	548,493	835,063
Other creditors	81,612	100,109
Accruals and deferred income	168,605	277,133
	2,499,338	3,019,657

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

11 Provisions for liabilities

	Notes	2015 £	2014 £
Deferred tax liabilities	12	140,826	93,336
		<u>140,826</u>	<u>93,336</u>

12 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £	Liabilities 2014 £
Balances:		
Fixed asset timing differences	157,364	93,336
Losses and other deductions	(16,538)	-
	<u>140,826</u>	<u>93,336</u>
Movements in the year:		2015 £
Liability at 1 January 2015		93,336
Charge to profit or loss		57,457
Effect of change in tax rate - profit or loss		(9,967)
Liability at 31 December 2015		<u>140,826</u>

13 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £84,424 (2014 - £81,194). No contributions were outstanding at the end of the current or previous year.

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

14 Share capital

	2015 £	2014 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100

The company's ordinary shares, which carry no right to fixed income, carry the right to one vote at general meetings of the company.

15 Reserves

Profit and loss reserves

Profit and loss reserves reflect cumulative profits and losses net of distributions to owners.

16 Financial commitments, guarantees and contingent liabilities

In the normal course of business, the company has provided an unlimited guarantee as valuable security in connection with the banking facilities of the ultimate parent undertaking OISE Holdings Limited and other group companies. At 31 December 2015 the amount outstanding was £nil (2014 - £nil).

The group of which the company is a member is currently in discussion with HMRC regarding group relief claims involving overseas subsidiaries to the value of c£1.9m. The directors are confident that these claims will prove successful, however the outcome is currently uncertain.

The company had no other contingent liabilities at 31 December 2015.

17 Operating lease commitments

Lessee

Operating lease payments reflect rentals payable by the company for the leasehold land and buildings from which it undertakes its principal activity.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £	2014 £
Within one year	893,836	1,038,886
Between two and five years	2,392,432	2,688,160
In over five years	846,905	1,445,013
	<u>4,133,173</u>	<u>5,172,059</u>

INSTILL EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

18 Capital commitments

	2015 £	2014 £
At 31 December 2015 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of tangible fixed assets	-	150,000

19 Related party transactions

During the year, Lanleya Limited charged the company £398,116 (2014 - £398,116) in relation to the leasing of certain properties. Lanleya Limited is a company owned by Till Gins, the director of Instill Education Limited. No amounts were outstanding at the end of the current or previous year.

20 Ultimate parent company and controlling party

The immediate parent company is OISE Limited. The ultimate parent company is OISE Holdings Limited. Both companies are incorporated in the United Kingdom and registered in England and Wales. OISE Holdings Limited heads the largest and smallest group for which consolidated financial statements are drawn up. The consolidated accounts of OISE Holdings Limited are available from Companies House. The ultimate controlling party is T Gins who owns 70% of the issued share capital of OISE Holdings Limited.