

Company Registration No. 01293463 (England and Wales)

**INSTILL EDUCATION LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2016**

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# INSTILL EDUCATION LIMITED

## COMPANY INFORMATION

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<b>Director</b>	Till Gins
<b>Secretary</b>	Diamond College Limited
<b>Company number</b>	01293463
<b>Registered office</b>	38 Binsey Lane Oxford OX2 0EY
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants St Philips Point Temple Row Birmingham West Midlands B2 5AF
<b>Bankers</b>	HSBC Bank Plc Apex Plaza Reading Berkshire RG1 1AX

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# INSTILL EDUCATION LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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The director presents the strategic report for the year ended 31 December 2016.

### **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**

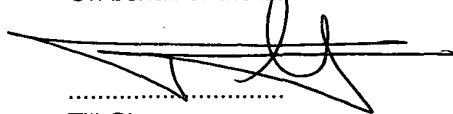
The company has operating and financial procedures designed to minimise risk. The key risks to which the business is exposed are reviewed regularly by senior management and the Board of OISE Holdings Limited.

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 conditions reinforced by suitable insurance arrangements.

On behalf of the board



Till Gins  
Director

22 SEPTEMBER 2017

# INSTILL EDUCATION LIMITED

## DIRECTOR'S REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2016

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The director presents his annual report and financial statements for the year ended 31 December 2016.

#### 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:

Till 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.

#### Director's insurance

During the year, the group in which the company is a member maintained professional indemnity insurance in respect of its director, officers and senior management.

#### 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.

#### Going concern

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.

#### Auditor

RSM UK Audit LLP has indicated its willingness to continue in office and its 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 auditor is 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 auditor is aware of that information.

On behalf of the board



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Till Gins

Director

22 SEPTEMBER 2017

# **INSTILL EDUCATION LIMITED**

## **DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

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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

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### Opinion on financial statements

We have audited the financial statements on pages 5 to 17. 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".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

### 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 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 and, based on the work undertaken in the course of our audit, the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

### 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 any material misstatements in the Strategic Report or the Director's Report.

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.

### 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.

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.

*RSM UK Audit LLP*

Michael Huggins FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

St Philips Point

Temple Row

Birmingham

West Midlands, B2 5AF

*25 September 2017*

# INSTILL EDUCATION LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
<b>Turnover</b>	<b>3</b>	15,642,237	18,141,640
Cost of sales		(7,925,808)	(9,607,581)
<b>Gross profit</b>		7,716,429	8,534,059
Administrative expenses		(8,662,479)	(9,087,473)
<b>Operating loss</b>	<b>4</b>	(946,050)	(553,414)
Interest payable and similar expenses	<b>6</b>	(145,525)	-
<b>Loss before taxation</b>		(1,091,575)	(553,414)
Taxation	<b>7</b>	(544,261)	(42,533)
<b>Loss for the financial year</b>	<b>15</b>	(1,635,836)	(595,947)
<b>Other comprehensive income net of taxation</b>			
Currency translation differences		(566)	19
<b>Total comprehensive income for the year</b>		(1,636,402)	(595,928)

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 2016**

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Goodwill	8	724,828		795,046	
Tangible assets	9	2,838,017		3,144,131	
		<u>3,562,845</u>		<u>3,939,177</u>	
<b>Current assets</b>					
Debtors	10	6,499,997		3,746,179	
Cash at bank and in hand		2,347,310		5,902,514	
		<u>8,847,307</u>		<u>9,648,693</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,958,488)</u>		<u>(2,499,338)</u>	
<b>Net current assets</b>		<u>5,888,819</u>		<u>7,149,355</u>	
<b>Total assets less current liabilities</b>		<u>9,451,664</u>		<u>11,088,532</u>	
<b>Provisions for liabilities</b>	12	<u>(140,360)</u>		<u>(140,826)</u>	
<b>Net assets</b>		<u><u>9,311,304</u></u>		<u><u>10,947,706</u></u>	
<b>Capital and reserves</b>					
Called up share capital	14	100		100	
Profit and loss reserves	15	9,311,204		10,947,606	
<b>Total equity</b>		<u><u>9,311,304</u></u>		<u><u>10,947,706</u></u>	

The financial statements were approved and signed by the director and authorised for issue on 22 SEPTEMBER 2017

  
Till Gins  
Director



# INSTILL EDUCATION LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2015</b>	100	11,543,534	11,543,634
<b>Year ended 31 December 2015:</b>			
Loss for the year	-	(595,947)	(595,947)
Other comprehensive income net of taxation:			
Currency translation differences	-	19	19
Total comprehensive income for the year	-	(595,928)	(595,928)
<b>Balance at 31 December 2015</b>	100	10,947,606	10,947,706
<b>Year ended 31 December 2016:</b>			
Loss for the year	-	(1,635,836)	(1,635,836)
Other comprehensive income net of taxation:			
Currency translation differences	-	(566)	(566)
Total comprehensive income for the year	-	(1,636,402)	(1,636,402)
<b>Balance at 31 December 2016</b>	100	9,311,204	9,311,304

# INSTILL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

#### Company information

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

The company's principal activities and nature of its operations 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.

#### 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.

#### Going concern

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.

#### 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.

# INSTILL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies (Continued)

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 period 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.

#### **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.

# **INSTILL EDUCATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **1 Accounting policies (Continued)**

##### **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.

##### **Leases**

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.

# INSTILL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 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 life of goodwill

The annual amortisation charge is sensitive to any changes in the estimated useful life of goodwill. This is assessed on an annual basis, taking into account expected future cash flows and an appropriate discount rate.

#### 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.

### 3 Turnover and other revenue

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

	2016 £	2015 £
<b>Turnover analysed by class of business</b>		
Provision of language courses for overseas students	15,642,237	18,141,640

#### Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	15,642,237	18,141,640

# INSTILL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 4 Operating loss

	2016 £	2015 £
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(9,819)	14,095
Depreciation of owned tangible fixed assets	453,148	365,868
Amortisation of intangible assets	70,218	70,218
Operating lease charges	893,836	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:

	2016 Number	2015 Number
Teaching	319	362
Administrative	74	84
	393	446

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	5,093,670	5,814,480
Social security costs	349,588	410,538
Pension costs	94,113	84,424
	5,537,371	6,309,442

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

#### 6 Interest payable and similar expenses

	2016 £	2015 £
Interest on overdue corporation tax	145,525	-
	145,525	-

# INSTILL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 7 Taxation

	2016 £	2015 £
<b>Current tax</b>		
Adjustments in respect of prior periods	544,727	(4,957)
<b>Deferred tax</b>		
Origination and reversal of timing differences	(21,512)	51,124
Changes in tax rates	(9,522)	(9,967)
Adjustment in respect of prior periods	30,568	6,333
<b>Total deferred tax</b>	<b>(466)</b>	<b>47,490</b>
<b>Total tax charge</b>	<b>544,261</b>	<b>42,533</b>

The total tax charge for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2016 £	2015 £
Loss before taxation	(1,091,575)	(553,414)
Expected tax credit based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	(218,315)	(112,048)
Tax effect of expenses that are not deductible in determining taxable profit	28,032	23,893
Adjustments in respect of prior years	544,727	(4,957)
Group relief	164,974	146,324
Deferred tax adjustments in respect of prior years	30,568	6,333
Adjust deferred tax to reconciliation rate	(5,725)	(16,347)
Additional deduction for land remediation expenditure	-	(665)
<b>Taxation for the year</b>	<b>544,261</b>	<b>42,533</b>

#### Factors that may affect future tax charges

The main rate of corporation tax will be reduced to 19% from 1 April 2017 and to 17% from 1 April 2020.

# INSTILL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 8 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 January 2016 and 31 December 2016	1,404,359
<b>Amortisation and impairment</b>	
At 1 January 2016	609,313
Amortisation charged for the year	70,218
At 31 December 2016	679,531
<b>Carrying amount</b>	
At 31 December 2016	724,828
At 31 December 2015	795,046

In the statement of comprehensive income, amortisation charged for the year is included within administrative expenses.

#### 9 Tangible fixed assets

	Short-term leasehold improvements £	Fixtures & fittings £	Total £
<b>Cost</b>			
At 1 January 2016	2,547,740	2,256,295	4,804,035
Additions	22,237	124,797	147,034
At 31 December 2016	2,569,977	2,381,092	4,951,069
<b>Depreciation and impairment</b>			
At 1 January 2016	598,594	1,061,310	1,659,904
Depreciation charged in the year	140,019	313,129	453,148
At 31 December 2016	738,613	1,374,439	2,113,052
<b>Carrying amount</b>			
At 31 December 2016	1,831,364	1,006,653	2,838,017
At 31 December 2015	1,949,146	1,194,985	3,144,131



# INSTILL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 10 Debtors

	2016	2015
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	164,970	505,999
Amounts owed by group undertakings	5,802,307	2,855,051
Other debtors	-	600
Prepayments and accrued income	532,720	384,529
	<u>6,499,997</u>	<u>3,746,179</u>

### 11 Creditors: amounts falling due within one year

	2016	2015
	£	£
Payments received on account	1,039,048	1,200,710
Trade creditors	666,541	499,918
Amounts due to group undertakings	321,381	548,493
Corporation tax	544,727	-
Other creditors	67,609	81,612
Accruals and deferred income	319,182	168,605
	<u>2,958,488</u>	<u>2,499,338</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 2016	Liabilities 2015
	£	£
<b>Balances:</b>		
Fixed asset timing differences	141,598	157,364
Losses and other deductions	(1,238)	(16,538)
	<u>140,360</u>	<u>140,826</u>
		<b>2016</b>
<b>Movements in the year:</b>		£
Liability at 1 January 2016		140,826
Credit to profit or loss		(21,512)
Effect of change in tax rate - profit or loss		(9,522)
Adjustment in respect of prior periods		30,568
Liability at 31 December 2016		<u>140,360</u>

# INSTILL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 12 Deferred taxation (Continued)

It is not possible to estimate reliably the extent to which the deferred tax liabilities shown above will reverse within the next 12 months.

#### 13 Retirement benefit schemes

	2016 £	2015 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	94,113	84,424

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.

No contributions were outstanding at the end of the current or previous year.

#### 14 Share capital

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
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 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:

	2016 £	2015 £
Within one year	608,976	893,836
Between one and five years	1,990,661	2,392,432
In over five years	327,930	846,905
	<u>2,927,567</u>	<u>4,133,173</u>

# **INSTILL EDUCATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **17 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 2016 the amount outstanding was £nil (2015 - £nil).

The company had no other contingent liabilities at 31 December 2016.

### **18 Related party transactions**

During the year, Lanleya Limited charged the company £356,336 (2015 - £356,336) 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 years.

### **19 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 Till Gins who owns 70% of the issued share capital of OISE Holdings Limited.