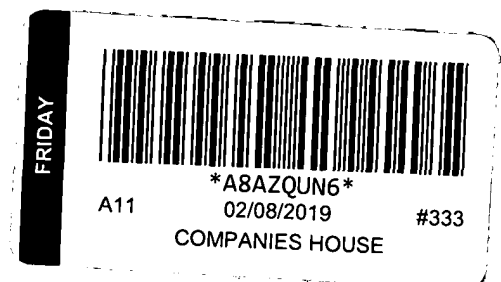


Company Registration No. 01293463 (England and Wales)

**INSTILL EDUCATION LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2018**



# 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 Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY
<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 2018

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The director presents the strategic report for the year ended 31 December 2018.

#### **Business review and future developments**

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 strategic report included in the consolidated financial statements of the company's ultimate parent, OISE Holdings Limited.

On 1 January 2018 the business and assets of a fellow subsidiary, The Education and Training Company Limited, were hived across into the company. The business combination was accounted for using the purchase method of accounting. No fair value adjustments were required. Consideration for the acquired assets and liabilities was reflected in the intercompany account.

#### **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 included in its strategic report.

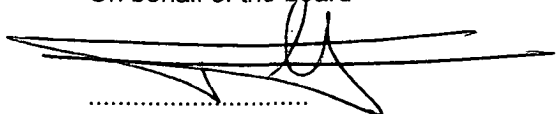
#### **Matters of strategic importance, financial risk management objectives and policies**

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 are reviewed regularly by senior management and the Board of OISE Holdings Limited.

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.

The company has operating procedures and financial risk management objectives and policies designed to minimise the company's exposure to these risks and price, credit, liquidity and cash flow risks. The use of derivative instruments is considered to mitigate risks or enhance returns, subject to strict control of exposures. No derivatives were used during the year.

On behalf of the board



.....  
Till Gins  
**Director**

Date: 22 JULY 2019

# INSTILL EDUCATION LIMITED

## DIRECTOR'S REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

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The director presents his annual report and financial statements for the year ended 31 December 2018.

#### 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 6.

#### 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.

#### 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.

#### Matters included in the strategic report

As permitted by the Companies Act 2006, s. 414C(11) the company has chosen to set out in its strategic report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and financial risk management objectives and policies.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that he ought to have taken as a 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

Date: 22 JULY 2019

# **INSTILL EDUCATION LIMITED**

## **DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018**

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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**

We have audited the financial statements of Instill Education Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTILL EDUCATION LIMITED (CONTINUED)**

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## **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 and 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of director**

As explained more fully 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, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

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

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

## **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 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 Ltd*

Kevin Barwick (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Highfield Court  
Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire, SO53 3TY

*30 July 2019*

# INSTILL EDUCATION LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	16,483,205	15,296,508
Cost of sales		(7,985,665)	(7,769,257)
<b>Gross profit</b>		<b>8,497,540</b>	<b>7,527,251</b>
Administrative expenses		(8,521,373)	(7,611,362)
<b>Operating loss</b>	5	<b>(23,833)</b>	<b>(84,111)</b>
Interest receivable and similar income	6	3,702	-
<b>Loss before taxation</b>		<b>(20,131)</b>	<b>(84,111)</b>
Tax on loss	7	(10,427)	42,489
<b>Loss for the financial year</b>		<b>(30,558)</b>	<b>(41,622)</b>

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 2018**

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	8		584,392		654,610
Tangible assets	9		2,302,033		2,255,824
			<u>2,886,425</u>		<u>2,910,434</u>
<b>Current assets</b>					
Debtors	10	6,555,073		8,080,768	
Cash at bank and in hand		1,717,352		516,836	
		<u>8,272,425</u>		<u>8,597,604</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(1,809,525)</u>		<u>(2,136,014)</u>	
<b>Net current assets</b>			<u>6,462,900</u>		<u>6,461,590</u>
<b>Total assets less current liabilities</b>			<u>9,349,325</u>		<u>9,372,024</u>
<b>Provisions for liabilities</b>	12		<u>(110,201)</u>		<u>(102,342)</u>
<b>Net assets</b>			<u><u>9,239,124</u></u>		<u><u>9,269,682</u></u>
<b>Capital and reserves</b>					
Called up share capital	14		100		100
Profit and loss reserves	15		9,239,024		9,269,582
<b>Total equity</b>			<u><u>9,239,124</u></u>		<u><u>9,269,682</u></u>

The financial statements were approved and signed by the director and authorised for issue on 22 JULY 2019

  
 .....  
 Till Güns  
 Director

# INSTILL EDUCATION LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2017	100	9,311,204	9,311,304
Year ended 31 December 2017:			
Loss and total comprehensive income for the year	-	(41,622)	(41,622)
Balance at 31 December 2017	100	9,269,582	9,269,682
Year ended 31 December 2018:			
Loss and total comprehensive income for the year	-	(30,558)	(30,558)
Balance at 31 December 2018	100	9,239,024	9,239,124

# **INSTILL EDUCATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **1 Accounting policies**

##### **Company information**

Instill Education Limited is a private company limited by shares and is registered and 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**

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of 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; and
- 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. These consolidated financial statements are available from its registered office, OISE House, Binsey Lane, Oxford, OX2 0EY.

##### **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 statement of comprehensive income 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.

# INSTILL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies (Continued)

#### **Tangible fixed assets**

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

Depreciation is recognised so as to write off the cost 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 debtors, amounts owed by group undertakings 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**

Basic financial liabilities, including trade and other creditors and amounts due to group undertakings, 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**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. 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 2018**

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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 statement of comprehensive income.

#### **Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leased 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 statement of comprehensive income.

# INSTILL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 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 key judgements 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:

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
Provision of language courses for overseas students	16,483,205	15,296,508
	<u>16,483,205</u>	<u>15,296,508</u>
	2018 £	2017 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	16,483,205	15,296,508
	<u>16,483,205</u>	<u>15,296,508</u>

# INSTILL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 4 Employees

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

	2018 Number	2017 Number
Teaching	333	298
Administrative	74	68
	<u>407</u>	<u>366</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	5,484,776	4,712,165
Social security costs	390,450	332,316
Pension costs	120,032	94,188
	<u>5,995,258</u>	<u>5,138,669</u>

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

### 5 Operating loss

	2018 £	2017 £
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(1,039)	3,217
Depreciation of owned tangible fixed assets	311,613	330,670
Profit on disposal of tangible fixed assets	-	(249,922)
Amortisation of intangible assets	70,218	70,218
Operating lease charges	826,316	834,616
	<u></u>	<u></u>

The auditor has been remunerated through the parent company OISE Limited.

### 6 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	3,702	-
	<u></u>	<u></u>

# INSTILL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 7 Taxation

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	22,490	-
Adjustments in respect of prior periods	-	(4,471)
	<u>22,490</u>	<u>(4,471)</u>
Total current tax	<u>22,490</u>	<u>(4,471)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(12,063)	(39,256)
Adjustment in respect of prior periods	-	1,238
	<u>(12,063)</u>	<u>(38,018)</u>
Total deferred tax	<u>(12,063)</u>	<u>(38,018)</u>
Total tax charge/(credit)	<u>10,427</u>	<u>(42,489)</u>

The total tax charge/(credit) 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:

	2018 £	2017 £
Loss before taxation	<u>(20,131)</u>	<u>(84,111)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(3,825)	(16,188)
Tax effect of expenses that are not deductible in determining taxable profit	1,434	2,163
Adjustments in respect of prior years	-	(4,471)
Group relief	-	40,690
Deferred tax adjustments in respect of prior years	-	1,238
Fixed asset differences	6,549	(71,059)
Adjust deferred tax to reconciliation rate	(926)	5,187
Other tax adjustments, reliefs and transfers	7,195	(49)
	<u>10,427</u>	<u>(42,489)</u>
Taxation charge/(credit) for the year	<u>10,427</u>	<u>(42,489)</u>

#### Factors that may affect future tax charges

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

# INSTILL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 8 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 January 2018 and 31 December 2018	1,404,359
<b>Amortisation and impairment</b>	
At 1 January 2018	749,749
Amortisation charged for the year	70,218
At 31 December 2018	819,967
<b>Carrying amount</b>	
At 31 December 2018	584,392
At 31 December 2017	654,610

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 2018	1,832,162	1,873,664	3,705,826
Additions	4,285	159,567	163,852
Transfers from fellow subsidiary	305,966	253,265	559,231
At 31 December 2018	2,142,413	2,286,496	4,428,909
<b>Depreciation and impairment</b>			
At 1 January 2018	448,910	1,001,092	1,450,002
Depreciation charged in the year	95,431	216,182	311,613
Transfers from fellow subsidiary	252,850	112,411	365,261
At 31 December 2018	797,191	1,329,685	2,126,876
<b>Carrying amount</b>			
At 31 December 2018	1,345,222	956,811	2,302,033
At 31 December 2017	1,383,252	872,572	2,255,824

# INSTILL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 10 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	278,665	296,935
Amounts owed by group undertakings	5,615,068	7,283,988
Other debtors	4,976	-
Prepayments and accrued income	656,364	499,845
	<u>6,555,073</u>	<u>8,080,768</u>

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

	2018 £	2017 £
Payments received on account	969,906	1,074,827
Trade creditors	659,153	519,750
Amounts due to group undertakings	-	211,901
Corporation tax	-	20,997
Other creditors	90,587	69,233
Accruals and deferred income	89,879	239,306
	<u>1,809,525</u>	<u>2,136,014</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 2018 £	Liabilities 2017 £
<b>Balances:</b>		
Fixed asset timing differences	<u>110,201</u>	<u>102,342</u>
<b>Movements in the year:</b>		2018 £
Liability at 1 January 2018		102,342
Credit to profit or loss		(12,063)
Transfer from fellow subsidiary		19,922
Liability at 31 December 2018		<u>110,201</u>

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

# INSTILL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 13 Retirement benefit schemes

	2018	2017
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	120,032	94,188

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

	2018	2017
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

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 2018 the amount outstanding was £nil (2017 - £nil).

The company had no other contingent liabilities at 31 December 2018.

# INSTILL EDUCATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 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:

	2018 £	2017 £
Within one year	687,756	522,456
Between one and five years	1,334,942	1,478,563
In over five years	118,463	241,283
	<u>2,141,161</u>	<u>2,242,302</u>

#### 18 Related party transactions

During the year, Lanleya Limited charged the company £521,336 (2017 - £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 year.

#### 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 financial statements of OISE Holdings Limited are available from its registered office, OISE House, Binsey Lane, Oxford, OX2 0EY. The ultimate controlling party is Till Gins who owns 70% of the issued share capital of OISE Holdings Limited.