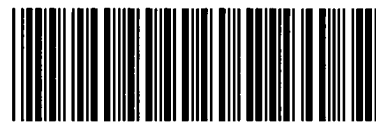


**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017
FOR
ACADEMY LEASING LIMITED**

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ACADEMY LEASING LIMITED

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FOR THE YEAR ENDED 31 MAY 2017**

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ACADEMY LEASING LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MAY 2017**

DIRECTORS: M F Nolan
J M A Roberts

SECRETARY: T R Case

REGISTERED OFFICE: 2nd Floor, St James House
The Square
Lower Bristol Road
Bath
BA2 3BH

REGISTERED NUMBER: 02112280 (England and Wales)

INDEPENDENT AUDITORS: Moore Stephens
Chartered Accountants & Statutory Auditor
30 Gay Street
Bath
BA1 2PA

ACADEMY LEASING LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MAY 2017

The directors present their report with the financial statements of the company for the year ended 31 May 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of leasing.

DIVIDENDS

In 2016 interim dividends in the sum of £83,333 were payable to Speakertone Limited during the period, with no final dividend. There were no dividends in the 2017 financial year.

DIRECTORS

M F Nolan has held office during the whole of the period from 1 June 2016 to the date of this report.

Other changes in directors holding office are as follows:

H Jacques - resigned 24 March 2017

M Anderson - resigned 1 January 2017

H M Walker - resigned 18 May 2017

J M A Roberts - appointed 2 May 2017

FINANCIAL INSTRUMENTS

The company's financial instruments comprise cash and liquid resources, including receivables and payables that are also financial instruments that arise directly from operations. The main purpose of the financial instruments is to fund the company's operations. As a matter of policy the company does not trade in financial instruments, nor does it enter into any derivative transactions. Further details on financial instruments are given in Note 20 to these financial statements.

REVIEW OF BUSINESS

The Directors are satisfied with the performance for the period and position which are presented in the following pages.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

ACADEMY LEASING LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MAY 2017**

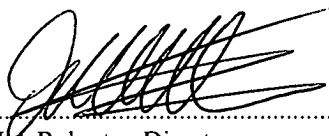
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Moore Stephens, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'J M A Roberts', is written over a horizontal dotted line.

J M A Roberts - Director

23 October 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACADEMY LEASING LIMITED

We have audited the financial statements of Academy Leasing Limited for the year ended 31 May 2017 on pages six to twenty. 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 Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 May 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; 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, based on the work undertaken in the course of our audit, the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Report of the Directors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ACADEMY LEASING LIMITED**

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.



M Powell (Senior Statutory Auditor)
for and on behalf of Moore Stephens
Chartered Accountants & Statutory Auditor
30 Gay Street
Bath
BA1 2PA

Date: 31 October 2017

ACADEMY LEASING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2017**

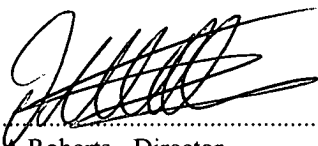
		Year Ended 31.5.17 £	Period 1.4.15 to 31.5.16 £
	Notes		
TURNOVER		6,130,518	6,458,941
Cost of sales		<u>1,368,676</u>	<u>1,333,718</u>
GROSS PROFIT		4,761,842	5,125,223
Administrative expenses		<u>2,951,328</u>	<u>3,112,359</u>
OPERATING PROFIT		1,810,514	2,012,864
Interest receivable and similar income		<u>41,027</u>	<u>3,752</u>
		1,851,541	2,016,616
Interest payable and similar expenses	6	<u>3,163</u>	<u>12,742</u>
PROFIT BEFORE TAXATION	7	1,848,378	2,003,874
Tax on profit	8	<u>302,620</u>	<u>154,786</u>
PROFIT FOR THE FINANCIAL YEAR		1,545,758	1,849,088
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,545,758</u>	<u>1,849,088</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 MAY 2017

	Notes	2017	2016
		£	£
ASSETS			
FIXED ASSETS			
Intangible assets	10	34,117	-
Tangible assets	11	<u>1,456,934</u>	<u>1,014,125</u>
		1,491,051	1,014,125
CURRENT ASSETS			
Debtors: amounts falling due within one year	12	11,961,903	8,875,607
Debtors: amounts falling due after more than one year	12	9,575,754	10,278,487
Cash at bank and in hand		<u>370,711</u>	<u>510,939</u>
		21,908,368	19,665,033
		23,399,419	20,679,158
CAPITAL, RESERVES AND LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	13	585,100	585,100
Retained earnings	14	<u>6,792,993</u>	<u>5,247,235</u>
SHAREHOLDERS' FUNDS		7,378,093	5,832,335
CREDITORS			
Amounts falling due within one year	16	8,058,210	6,843,561
Amounts falling due after more than one year	17	<u>7,963,116</u>	<u>8,003,262</u>
		16,021,326	14,846,823
		23,399,419	20,679,158

The financial statements were approved by the Board of Directors on 23 October 2017 and were signed on its behalf by:



J M A Roberts - Director

ACADEMY LEASING LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2015	585,100	3,481,480	4,066,580
Changes in equity			
Dividends	-	(83,333)	(83,333)
Total comprehensive income	<u>-</u>	<u>1,849,088</u>	<u>1,849,088</u>
Balance at 31 May 2016	<u>585,100</u>	<u>5,247,235</u>	<u>5,832,335</u>
Changes in equity			
Total comprehensive income	<u>-</u>	<u>1,545,758</u>	<u>1,545,758</u>
Balance at 31 May 2017	<u>585,100</u>	<u>6,792,993</u>	<u>7,378,093</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017

1. STATUTORY INFORMATION

Academy Leasing Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The functional currency is British pounds. These are stand alone financial statements.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1; and
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Principal activity and nature of operations

The principal activity in the year under review was that of providing financial services to UK businesses.

Revenue recognition and leased assets

Assets leased to customers on finance leases are recognised in the Statement of Financial Position at the amount of the company's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases. Document fees and secondary rentals are accounted for when receivable.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- in accordance with the property
Assets held for rental	- at varying rates on cost
Fixtures and fittings	- 33% on cost
Computer equipment	- 25% on cost

2. ACCOUNTING POLICIES - continued

Financial instruments

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

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the Statement of financial position date.

Deferred income tax is recognised on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of goodwill; deferred income tax is not accounted for it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associated and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference will not reverse in the foreseeable future. Generally the group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

Employee benefit costs

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

Funding payables and cost of sales

Finance received from funding providers is classified as payables in the Statement of Financial Position. Payments to the funding providers contain a capital element which reduces the payable and an interest charge is debited to the cost of sales using the sum of digits method. Due to the relatively short term of the funding payables the directors are satisfied that this method of apportioning interest is not materially different to the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2017

2. ACCOUNTING POLICIES - continued

Impairment of financial assets

Assets carried at amortised cost. The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets and impaired losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivable category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Intangible assets

Amortisation is provided at the following annual rates in order to write off each asset over its estimated useful life, which are considered to be finite.

Computer software - 25% on cost

3. SEGMENTAL REPORTING

The company has one business segment to which all revenue, expenditure, assets and liabilities relate.

4. EMPLOYEES AND DIRECTORS

	Year Ended	Period
	31.5.17	1.4.15
	£	to
		31.5.16
		£
Wages and salaries	1,736,101	1,945,421
Social security costs	198,118	70,987
Other pension costs	5,648	10,000
	<u>1,939,867</u>	<u>2,026,408</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2017

4. EMPLOYEES AND DIRECTORS - continued

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

	Year Ended 31.5.17	Period 1.4.15 to 31.5.16
Management	11	9
Operational	<u>35</u>	<u>34</u>
	<u>46</u>	<u>43</u>

	Year Ended 31.5.17 £	Period 1.4.15 to 31.5.16 £
Directors' remuneration	372,541	479,846
Directors' pension contributions to money purchase schemes	<u>-</u>	<u>10,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	-----------------	-----------------

Information regarding the highest paid director is as follows:

	Year Ended 31.5.17 £	Period 1.4.15 to 31.5.16 £
Emoluments etc	<u>143,305</u>	<u>184,947</u>

The key management personnel are the Directors.

5. EXCEPTIONAL ITEMS

	Year Ended 31.5.17 £	Period 1.4.15 to 31.5.16 £
Exceptional items	<u>-</u>	<u>(31,091)</u>

The exceptional item in 2016 of £31,091 related to the diminution in value of an unlisted investment.

ACADEMY LEASING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2017**

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 31.5.17 £	Period 1.4.15 to 31.5.16 £
Bank interest	-	130
Bank loan interest	<u>3,163</u>	<u>12,612</u>
	<u>3,163</u>	<u>12,742</u>

7. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging:

	Year Ended 31.5.17 £	Period 1.4.15 to 31.5.16 £
Depreciation - owned assets	384,868	345,187
Computer software amortisation	5,923	-
Auditors' remuneration	<u>8,000</u>	<u>36,604</u>

8. TAXATION

Analysis of tax expense

	Year Ended 31.5.17 £	Period 1.4.15 to 31.5.16 £
Current tax: Tax	425,247	274,265
Deferred tax	<u>(122,627)</u>	<u>(119,479)</u>
Total tax expense in statement of comprehensive income	<u>302,620</u>	<u>154,786</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2017

8. TAXATION - continued**Factors affecting the tax expense**

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

	Year Ended 31.5.17 £	Period 1.4.15 to 31.5.16 £
Profit before income tax	<u>1,848,378</u>	<u>2,003,874</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	369,676	400,775
Effects of: Permanent tax differences	<u>(67,056)</u>	<u>(245,989)</u>
Tax expense	<u>302,620</u>	<u>154,786</u>

Corporation tax is calculated at 16.4% (201: 13.7%) of the estimated assessable profit for the year.

9. DIVIDENDS

	Year Ended 31.5.17 £	Period 1.4.15 to 31.5.16 £
Ordinary shares of £1 each		
Final	<u>-</u>	<u>83,333</u>

Dividends are payable to Speakertone Limited.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2017

10. INTANGIBLE FIXED ASSETS

	Goodwill £	Computer software £	Totals £
COST			
At 1 June 2016	467,871	-	467,871
Additions	-	40,040	40,040
At 31 May 2017	467,871	40,040	507,911
AMORTISATION			
At 1 June 2016	467,871	-	467,871
Amortisation for year	-	5,923	5,923
At 31 May 2017	467,871	5,923	473,794
NET BOOK VALUE			
At 31 May 2017	-	34,117	34,117
At 31 May 2016	-	-	-

11. TANGIBLE FIXED ASSETS

	Short leasehold £	Assets held for rental £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 June 2016	58,415	1,301,604	50,375	343,980	1,754,374
Additions	6,400	849,908	5,262	22,419	883,989
Disposals	-	(249,960)	-	-	(249,960)
At 31 May 2017	64,815	1,901,552	55,637	366,399	2,388,403
DEPRECIATION					
At 1 June 2016	6,734	510,243	17,931	205,341	740,249
Charge for year	7,430	307,530	17,647	52,261	384,868
Eliminated on disposal	-	(193,648)	-	-	(193,648)
At 31 May 2017	14,164	624,125	35,578	257,602	931,469
NET BOOK VALUE					
At 31 May 2017	50,651	1,277,427	20,059	108,797	1,456,934
At 31 May 2016	51,681	791,361	32,444	138,639	1,014,125

ACADEMY LEASING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2017**

11. TANGIBLE FIXED ASSETS - continued

	Totals £
COST	
At 1 April 2015	1,325,226
Additions	651,539
Disposals	<u>(222,391)</u>
At 31 May 2016	<u>1,754,374</u>
DEPRECIATION	
At 1 April 2015	527,907
Charge for year	345,187
Disposals	<u>(132,845)</u>
At 31 May 2016	<u>740,249</u>
NET BOOK VALUE	
At 31 May 2016	<u>1,014,125</u>
At 31 March 2015	<u>797,319</u>

12. DEBTORS

	2017 £	2016 £
Amounts falling due within one year:		
Trade receivables	6,644,388	6,255,915
Amounts owed by group undertakings	4,114,726	1,496,273
Other receivables	40,000	203,809
Deferred tax asset	485,936	363,309
Prepayments and accrued income	<u>676,853</u>	<u>556,301</u>
	<u>11,961,903</u>	<u>8,875,607</u>
Amounts falling due after more than one year:		
Trade receivables	<u>9,575,754</u>	<u>10,278,487</u>
Aggregate amounts	<u>21,537,657</u>	<u>19,154,094</u>

ACADEMY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MAY 2017

12. DEBTORS - continued

Trade receivables wholly represent finance lease, hire purchase contracts and loan receivables.

	2017	2016
	£	£
Gross receivables from finance leases, hire purchase contracts and loans:		
No later than 1 year	8,405,389	8,213,769
Later than 1 year and no later than 5 years	10,930,799	11,514,792
Later than 5 years	991	374,471
Unearned future finance income on finance leases, hire purchase contracts and loans	(3,092,369)	(3,568,630)
Net investment in finance leases and loans	<u>16,244,810</u>	<u>16,534,402</u>

The net investment in finance leases, hire purchase contracts and loans are receivable as follows:

No later than 1 year	6,669,056	6,255,915
Later than 1 year and no later than 5 years	9,574,842	9,904,212
Later than 5 years	<u>912</u>	<u>374,275</u>
Total	<u>16,244,810</u>	<u>16,534,402</u>

The cost of assets acquired for the purpose of leasing under finance leases was £7,437,366 (2016: £11,898,785).

Included within Trade receivables are the following receivables that are past due but not impaired as they are considered recoverable:

	2017	2016
	£	£
Less than 3 months old	8,956	413,918
More than 3 months old	-	-

All amounts are secured on the asset to which they relate. No other assets are past due or impaired.

Included within Cost of Sales are impairment losses in the sum of £223,787 (2016: £228,673).

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017	2016
			£	£
585,100	Ordinary	£1	<u>585,100</u>	<u>585,100</u>

Each share carries the entitlement to one vote.

As at 31 May 2017 the company had 585,100 allotted, issued and fully paid Ordinary £1 shares, amounting to £585,100 share capital.

14. RESERVES

The movements in share capital and reserves are shown in the Statement of Changes in Equity.

ACADEMY LEASING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2017**

15. DEFERRED TAX

	£
Balance at 1 June 2016	(363,309)
Credit to Statement of Comprehensive Income during year	<u>(122,627)</u>
Balance at 31 May 2017	<u>(485,936)</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade payables	6,238,495	5,534,809
Amounts owed to group undertakings	54,452	25,233
Tax	330,267	19,748
Social security and other taxes	56,301	60,578
VAT	159,304	96,103
Other payables	<u>1,219,391</u>	<u>1,107,090</u>
	<u>8,058,210</u>	<u>6,843,561</u>

Trade payables are secured over the leased assets to which it relates.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £	2016 £
Trade payables	<u>7,963,116</u>	<u>8,003,262</u>

Trade payables are secured over the leased assets to which it relates.

18. ULTIMATE PARENT COMPANY

The company's immediate and ultimate parent company is lpm plc. The consolidated group financial statements can be obtained from 2nd Floor, St James House, The Square, Lower Bristol Road, Bath, BA2 3BH.

19. FINANCIAL INSTRUMENTS

The company's financial instruments comprise cash and liquid resources, including receivables and payables that are also financial instruments that arise directly from operations. The main purpose of the financial instruments is to fund the company's operations. As a matter of policy the company does not trade in financial instruments, nor does it enter into any derivative transactions.

The operations of the company have principally been financed to date through block funding payables. The company has an overdraft facility in place with the company's bank of £350,000 (2016: £350,000).

The company's main objectives for the management of capital are; to ensure there is sufficient cash available to be able to provide finance to customers, and to be able to pay debts as they fall due. The forms of capital managed by the group are the block funding and bank overdraft facilities. The company is not subject to any externally imposed capital requirements from these finance providers.

Working capital requirements are constantly monitored including the interest rates from the key providers of block funding finance.

The main risks to the company, and the policies adopted by the directors to minimise the effects on the are company as follows:

Credit Risk - The directors believe that credit risk is limited due to debts being spread over a large number of receivables. No individual receivable poses a significant risk. Individual receivables and group debt collection procedures are continually assessed.

Interest rate and liquidity risk - All of the group's cash balances and short term deposits are held in such a way that the correct balance of access to working capital and a competitive rate of interest is achieved. If market interest rates had been higher/lower with all other variables held constant, post-tax profits would not be materially affected.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2017

20. OPERATING LEASE ARRANGEMENTS**The company as lessee**

	2017	2016
	£	£
Lease payments under operating leases recognised as an expense in the year	<u>88,700</u>	<u>54,500</u>

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

	2017	2016
	£	£
Within 1 year	110,795	54,500
In the second to fifth years inclusive	159,331	218,000
After 5 years	<u>-</u>	<u>-</u>
	<u>270,126</u>	<u>272,500</u>

Operating lease payments represent rentals payable by the company for office properties and motor vehicles. Leases are negotiated for an average term of 5 years and rentals are fixed for an average of 5 years with an offer to extend thereafter at the prevailing market rate.