ACTUARIAL EDUCATION COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2016

Registered number 03062375

Contents

Directors' Report

The directors submit their report together with the audited financial statements of the company for the year ended 31 August 2016.

Results and dividends

The Statement of comprehensive income for the year is set out on page 8. The company paid net interim dividends during the year of £1,690,000 (2015: £1,237,500). The directors recommend no final dividend (2015: £nil)

Principal activity and review of the business

The principal activity of the company is the provision of training for students taking the fellowship examinations of the Institute and Faculty of Actuaries.

The level of profits achieved is slightly higher than expected due to later autumn exams and the number of new students being higher than expected.

The company's constitution restricts it to working with students of the Institute and Faculty of Actuaries.

Future developments

The future depends on the market for teaching student actuaries. The directors expect that the present level of activity will be sustained in the foreseeable future.

Directors and their interests

The directors that served during the year and up to the date of signing the directors' report were:

Darrell Chainey
Carl Lygo
William Etchell (resigned 30 September 2016)

None of the directors had any interest in the shares of the company at 31 August 2016, or at any other time during the year. No rights to subscribe for shares in or debentures of the company or any company in the same group were granted or exercised during the year.

Creditor policy

It is the company's policy that payments to suppliers are made in accordance with the terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

The creditor days as at 31 August 2016 was 1.77 days (2015: 3.38 days).

Principal risks and uncertainties

The principal risk to the business is the potential impact from any new providers of training. However in the opinion of the directors the ongoing contract with the Institute and Faculty of Actuaries mitigates this to some extent.

Auditors

Mazars LLP are deemed to be reappointed in accordance with an elective resolution made under Section 368(1) of the Companies Act 1985 which continues in force under the Companies Act 2006.

The report of the directors has been prepared in accordance with section 415A of the Companies Act 2006.

Directors' Report con't

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement for small companies

In preparing this report, the Directors have taken advantage of the small companies exemption provided by section 415A (1) (b) of the Companies Act 2006. The directors have also taken advantage of the small companies exemption from preparing a Strategic Report provided by 414B (1) (b) of the Companies Act 2006.

By order of the Board

DARRELL CHAINEY
Director
28 November 2016

Statement of Directors' responsibilities in respect of the accounts

The directors are responsible for preparing the Directors' Report 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 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 satisified 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 those accounts, the directors are 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; 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

DARRELL CHAINEY
Director
28 November 2016

Independent auditor's report to the members of Actuarial Education Company Limited

We have audited the financial statements of Actuarial Education Company Limited for the year ended 31 August 2016 which comprises the Statement of comprehensive income, Statement of financial position, the Statement of changes in equity and the related notes. 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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 (APB's) Ethical Standards for Auditors. This report is made soley 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.

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 web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 August 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Actuarial Education Company 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies exemption from the requirement to prepare a Strategic report.

Stephen Brown

Stephen Brown (Senior Statutory auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date 30 November 2016

Statement of Comprehensive Income

	Notes	Year ended 31 August 2016	Year ended 31 August 2015
		£	£
Turnover	3	7,329,848	6,525,782
Cost of sales		(4,294,341)	(3,936,076)
Gross profit		3,035,507	2,589,706
Administrative expenses		(1,059,220)	(1,009,832)
Operating profit	4	1,976,287	1,579,874
Interest receivable		14,554	11,774
Profit on ordinary activities before taxation		1,990,841	1,591,648
Tax on ordinary activities	6	(447,354)	(297,684)
Profit on ordinary activities after taxation		1,543,487	1,293,964
Other comprehensive income for the year		-	-
Total comprehensive income for the year		1,543,487	1,293,964

All business activities of the company are continuing in nature.

The notes on pages 11 to 21 form an integral part of these financial statements.

Statement of Financial Position

	Notes	2016 £	2016 £	2015 £	2015 £
FIXED ASSETS					
Tangible assets	7		36,508		36,503
ASSETS					
Stock	8	72,025		90,412	
Debtors	9	2,447,221		655,678	
Cash at bank and in hand		472,760		2,172,304	
		2,992,006		2,918,394	
CREDITORS: amounts falling due within one year	10	(2,153,816)		(1,933,686)	
NET CURRENT ASSETS			838,190		984,708
TOTAL ASSETS LESS CURRENT LIABILITIES			874,698		1,021,211
NET ASSETS			874,698		1,021,211
CAPITAL AND RESERVES					
Called up share capital	11		100		100
Profit and loss reserve			874,598		1,021,111
TOTAL SHAREHOLDERS' FUNDS			874,698		1,021,211

The financial statements have been prepared in accordance with the special provisions of Statutory Instrument 2008/409 under Companies Act 2006.

The financial statements on pages 8 to 21 were approved by the Board of Directors and authorised for issue on 28 November 2016 and were signed on their behalf by:

Darrell Chainey
Director

The notes on pages 11 to 21 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

AT 31 AUGUST 2015

	Share capital £	Retained earnings £	Total equity £
At 1 September 2014	100	964,647	964,747
Comprehensive income for the year			
Profit for the year	-	1,293,964	1,293,964
Dividends	-	(1,237,500)	(1,237,500)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	–	56,464	56,464
At 31 August 2015	100	1,021,111	1,021,211

AT 31 AUGUST 2016

	Share capital £	Retained earnings £	Total equity £
At 1 September 2015	100	1,021,111	1,021,211
Comprehensive income for the year			
Profit for the year	-	1,543,487	1,543,487
Dividends	-	(1,690,000)	(1,690,000)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(146,513)	(146,513)
At 31 August 2016	100	874,598	874,698

Retained earnings

This reserve represents cumulative profits and losses.

Notes to the accounts

1. Accounting policies

(a) *General information*

Actuarial Education Company Limited is a limited company domiciled in England and Wales and incorporated in the UK, registration number 03062375. The registered office is BPP House, 142-144 Uxbridge Road, London, W12 8AA.

These financial statements have been presented in Pound Sterling (GBP) as this is the currency of the primary economic environment in which the Company operates.

The principal activity of the Company is the provision of training and educational services for the students taking the professional examinations of the Institute and Faculty of Actuaries.

(b) *Compliance with Accounting Standards*

These financial statements have been prepared in accordance with FRS102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' ("FRS102") and applicable legislation as set out in the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

In preparing these financial statements the Company has not taken advantage of any disclosure exemptions as permitted by FRS 102 paragraph 1.12.

(c) *FRS 102 reduced disclosure framework accounting policy*

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including the notification of and no objection to, the use of exemptions by the company's shareholders. In preparing the financial statements, the company has taken advantage of the following exemptions:

- from disclosing key management personnel compensation, as required by paragraph 7 of Section 33 *Related Party Disclousres*;
- from presenting a reconciliation of the number of shares outstanding at the beginning and end of the year, as required by paragraph 12 of Section 4 *Statement of Financial Position*; and
- from presenting a statement of cash flows, as required by Section 7 *Statement of Cash Flows*

On the basis that equivalent disclosures are given in the consolidated financial statements the company has also taken advantage of the exemption not to provide:

- certain disclosure requirements of Section 11 *Basic Financial Instruments* and Section 12 *Other Financial Instruments Issues*.

(d) *Transition to FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'*

The financial statements for the year ended 31 August 2016 are the Company's first financial statements that comply with the FRS 102; the Company's date of transition to FRS 102 is 1 September 2014. Note 17 describes the impact on reported profit or loss and equity from transition to FRS 102.

The financial statements have been prepared in accordance with Accounting Standards applicable in the United Kingdom. A summary of the significant accounting policies is given below.

Notes to the accounts

1. Accounting policies (continued)

(e) *Going Concern*

These financial statements have been prepared on a going concern basis.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the Company's ability to continue as a going concern. Thus the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

(f) *Taxation*

The tax expense for the year comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future give rise to a deferred tax liability or asset.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date, that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred income tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(g) *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods
Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the accounts

1. Accounting policies (continued)

Rendering of services
When the outcome of a transaction involving the rendering of services can be estimated reliably. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is recognised as interest accrues using the effective interest rate method.

(h) *Foreign currencies*

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date the transactions took place. Where this is not possible to determine, income and expense items are translated using an average exchange rate for the period.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rate prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities are reported in profit or loss.

(i) *Cash and cash equivalents*

Cash is represented by cash in hand and deposits and financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

(j) *Financial Instruments*

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments, like accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

Notes to the accounts

1. Accounting policies (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

(k) *Tangible fixed assets*

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the costs, less estimated residual value, of each asset evenly over its expected useful life.

(i) Depreciation on leasehold property and capitalised leased equipment is provided on a straight line basis over the duration of the lease.
(ii) Depreciation on fixtures and fittings is at 25% per annum on cost.
(iii) Depreciation on office equipment is at 33.3% per annum on cost.

In all cases depreciation is charged from the year of acquisition except for capitalised lease equipment.

(l) *Stock*

Stocks which consist of study material are valued at the lower of printed cost and net realisable value. Stocks are valued using the FIFO method.

(m) *Operating lease commitments*

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

(n) *Finance Leases*

Assets held under finance leases (where the useful life of the asset corresponds with the lease term) are included in office equipment in fixed assets at cost and depreciated over the estimated useful life. Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable so that the charge for each accounting period is a constant percentage of the remaining balance of the capital sum outstanding.

(o) *Pension Costs*

Contributions payable to the company's defined contribution pension scheme are charged to the profit and loss account in the period to which they relate. At present the pension scheme is contributory and the company matches employee contributions up to a small percentage of salary.

(p) *Turnover*

Turnover represents the invoiced amount of goods and services provided during the period, stated net of value added tax. Amounts invoiced but unearned at the year end are treated as deferred revenue. Sales of materials are recognised when the goods are shipped. Sales of marking and tutorial services are recognised as the services are provided.

Notes to the accounts

1. Accounting policies (continued)

(q) *Audit Fees*

The company paid the £6,400 (2015: £6,500) audit fees of Institute and Faculty Education Ltd.

2. Critical accounting judgements and key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Recoverability of receivables

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the aging of the receivables, past experience of recoverability, and the credit profile of customers.

3. Turnover

Turnover is attributable to one continuing activity, the provision of actuarial training.

An analysis of the Company's revenue by class and category of business is as follows:

	Year ended 31 August 2016 £	Year ended 31 August 2015 £
Sale of goods	3,612,657	3,306,961
Rendering of services	3,717,191	3,218,821
Total Revenue	7,329,848	6,525,782

Turnover by geographic region of where the customer is based is as follows:

	Year ended 31 August 2016 £	Year ended 31 August 2015 £
United Kingdom	5,965,177	5,326,236
European Union	567,856	409,618
Africa	427,821	421,238
Other	368,994	368,690
TOTAL	7,329,848	6,525,782

Notes to the accounts

4. Operating Profit

Operating profit is stated after charging:

	Year ended 31 August 2016	Year ended 31 August 2015
	£	£
Depreciation	6,511	11,098
Auditors' remuneration – audit	6,400	5,645

5. Directors and employees

Staff costs during the period amounted to:	Year ended 31 August 2016	Year ended 31 August 2015
	£	£
Wages and salaries	2,458,225	2,283,579
Social security costs	250,050	252,054
Pension costs	120,129	94,275
	2,828,404	2,629,908

The average number of employees during the period was:	Year ended 31 August 2016	Year ended 31 August 2015
	Number	Number
Tutors	30	28
Administration	13	12
	43	40

Directors' remuneration	£	£
Salary	117,569	115,715
Contribution to pension scheme	6,095	4,804
Aggregate emoluments	123,664	120,519

During the year 1 (2015: 1) director accrued benefits under the money purchase pension scheme.

Notes to the accounts

6. Taxation on results from ordinary activities

	Year ended 31 August 2016 £	Year ended 31 August 2015 £
Corporation tax @ 20% (2015: 20.58%)		
Current period	388,690	322,000
Deferred tax	9,894	1,000
Prior years	48,770	(25,316)
	447,354	297,684

Factors affecting the tax charge for the period

Profit on ordinary activities before tax	1,990,841	1,591,648
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporate taxation of 20% (2015: 20.58%)	398,168	327,561
Effects of:		
Depreciation	(1,302)	(531)
Deferred tax	9,894	1,000
Overseas tax	301	7,475
Under/(over) provisions for prior years	48,770	(25,316)
Other tax adjustments	(8,477)	(12,505)
TOTAL	49,186	(29,877)
Current tax charge	447,354	297,684

Note: Even though it is immaterial the deferred tax balance of (£3,559) (2015:£6,336) has been provided for in the accounts.

Notes to the accounts

7. Tangible fixed assets

	Leasehold property	Fixtures & fittings	Office equipment (incl. Leased)	Total
	£	£	£	£
Cost:				
At 31 August 2015	60,838	14,187	51,055	126,080
Additions	6,516	-	-	6,516
Disposals	-	(14,187)	(51,055)	(65,242)
At 31 August 2016	67,354	-	-	67,354
Depreciation:				
At 31 August 2015	24,335	14,187	51,055	89,577
Charge for the period	6,511	-	-	6,511
Disposals	-	(14,187)	(51,055)	(65,242)
At 31 August 2016	30,846	-	-	30,846
Net book value:				
At 31 August 2015	**36,503**	**0**	**0**	**36,503**
Net book value:				
At 31 August 2016	**36,508**	**0**	**0**	**36,508**

8. Stock

	2016	2015
	£	£
Finished goods	72,025	90,412

Stock recognised in cost of sales during the year as an expenses was £512,680 (2015: £473,976).

An impairment loss of £7,990 (2015: £10,000) as recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

Notes to the accounts

9. Debtors

	2016	2015
	£	£
Other debtors	431,436	565,586
Owing from group undertakings	7,310	16,487
Loan from group undertaking (see note 13)	2,000,000	-
Corporation tax	3,559	64,379
Prepayments	4,916	9,226
	2,447,221	655,678

10. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	12,691	22,131
Amounts owing to group undertakings	1,024,615	659,001
Corporation tax	-	6,336
Accruals	288,313	368,978
Other taxes and social security	201,552	181,490
Deferred income	626,645	695,750
	2,153,816	1,933,686

11. Share capital

	Authorised number of special shares	Allotted, issued and fully paid special shares	Authorised number of ordinary shares	Allotted, issued and fully paid ordinary shares
	Number	£	Number	£
At 31 August 2015	1	1	99	99
At 31 August 2016	1	1	99	99

All ordinary shares carry one vote and are entitled to an equal share of any proceeds upon wind up of the company.

The special share carries no entitlement to vote, dividend, or any rights upon wind up of the company. However, the holder of the special share must consent in writing before one of the events detailed in 3 (ii) (e) of the Articles of Association can occur.

Notes to the accounts

12. Dividends on equity shares

	Year ended 31 August 2016 £	Year ended 31 August 2015 £
Ordinary – interim dividends paid of £17,070.71 (2015: £12,500) per share	**1,690,000**	**1,237,500**

13. Related party transactions

£7,303,630 (2015: £6,506,703) of the turnover of the company comes from Institute and Faculty Education Ltd (IFE Ltd), a special shareholder of the company. Some of this income is from students originating outside of the United Kingdom and has been included as non UK turnover (see note 2 for details). IFE Ltd is the provider of training and educational services for students taking the professional examinations of the Institute and Faculty of Actuaries. IFE Ltd contracts out these services to the company. At 31 August 2016 the balance outstanding owed to the company by IFE Ltd was £431,436 (31 August 2015: £565,586).

The company has an intercompany balance with BPP Holdings Ltd, a parent company, of £1,019,728 at 31 August 2016 (2015: £659,000). This relates to corporation tax paid under group arrangements.

The company incurred recharges from BPP Services Ltd and other related group companies of £560,075 (2015: £540,653) for services such as IT, payroll and HR. The net balance owed to BPP Services Ltd and other related group companies by the company at 31 August 2016 was £887 (31 August 2015: £(8,020)). This figure also includes interest paid by BPP Services Ltd of £13,685 (2015: £11,774) on the bank balances held by the company, as under group banking arrangements the company does not earn interest directly in its bank accounts. The company also loaned £2,000,000 to BPP Services Ltd during the year. Interest is paid at 3 month LIBOR plus 1.75% and the loan is repayable on demand. Interest earned during the year was £865.

The company incurred charges of £372,100 (2015: £315,770) from BPP Professional Education Ltd (a related group company) with respect to the rental of rooms for tutorials. At 31 August 2016 the net balance owed by the company was £nil (31 August 2015: £nil).

The company incurred charges of £62,153 (2015: £61,324) for rent and other facilities charges from McTimoney Chiropractic College, a division of BPP University Ltd. At 31 August 2016 the balance owed by the company was £nil (31 August 2015: £3,691)

The company incurred charges of £195,282 (2015: £182,793) for printing and despatch from BPP Learning Media Ltd (a related group company). At 31 August 2016 the company owed £4,000 to BPP Learning Media Ltd (31 August 2015: £nil).

Advantage has been taken of the exemption conferred by section 33 *Related Party Disclosures* not to disclose transactions with fellow members of the BPP Actuarial Education Limited Group where 100% of the voting rights are controlled within the group.

Notes to the accounts

14. Ultimate parent company and controlling party

The directors regard BPP Actuarial Education Limited, a company registered in England and Wales and incorporated in UK, as the immediate parent company.

Apollo Education Group Inc., incorporated in USA is the company's ultimate parent company where the results of this company are consolidated. Copies of Apollo Education Group Inc's financial statements can be obtained from 4025 S Riverpoint, Phoenix, AZ, 85040.

BPP Holdings Ltd has entered into put and call options with the shareholders of the balance of BPP Actuarial Education Limited issued share capital. The put options are exercisable in April of the year from 2000. Any minority shareholder can require the company to purchase, for cash, his interest in BPP Actuarial Education Limited in three equal annual tranches. Under the call option the company can require the minority shareholder to sell their interests in BPP Actuarial Education Limited from January 2015. The amount payable is based on the earnings of BPP Actuarial Education Limited for two years preceding the exercise of each tranche.

15. Defined Contribution Scheme

The group provides a defined contribution pension plan to it's employees. The pension plan is administered by an external pension provider. The group is required to contribute a specified percentage of payroll costs to the scheme to fund the benefit and has no other obligation under the scheme other than to make the required contributions. Contributions of £120,129 (2015: £94,275) were paid during the year and no amounts were outstanding at year end (2015: none).

16. Guarantee

The banking facilities are secured by an unlimited inter-company guarantee between the companies within the BPP Holdings Ltd group.

17. *Explanation of transition to* FRS102

This is the first financial year that the Company has represented its financial statements in accordance with FRS 102 'The Financial Reporting Framework Applicable in the UK and Republic of Ireland' ("FRS 102"). For financial years up to and including the year ending 31 August 2015, the Company preprared its financial statements in accordance with UK GAAP.

The Company's date of transition to FRS 102 is therefore 1 September 2014.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impaced on equity and reserves, or profit and loss.