

ABET INTERNATIONAL LIMITED

ANNUAL REPORT

YEAR ENDED 31 AUGUST 2005

Registered Number: 3354186



ABET INTERNATIONAL LIMITED
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ABET INTERNATIONAL LIMITED
COMPANY INFORMATION

Directors

A Fitzmaurice
S Hyde

Secretary

S Hyde

Registered office

Anglia House
Carrs Road
Cheadle
Cheshire
SK8 1AT

Auditors

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

ABET INTERNATIONAL LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 AUGUST 2005

The directors present their annual report together with the audited financial statements for the year ended 31 August 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year was the provision of private education.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's results for the year and financial position at the end of the year are shown in the annexed financial statements. The profit for the year after tax was £51,025 (2004: £304,827). The directors consider that there are opportunities for growth in Central and Eastern Europe and Asia. The directors anticipate overall improvements as they seek to exploit these new opportunities.

DIVIDEND

The directors recommend the payment of a dividend of £160,181 (2004: £200,000) with the retained loss of £109,156 being transferred to reserves (2004: profit £104,827).

DIRECTORS

The directors of the company who served during the course of the year are as follows:-

A Fitzmaurice
S Hyde (appointed 26 April 2005)
L Simpson (resigned 26 April 2005)

None of the directors held any interests in the shares of the company at 31 August 2005 or at any time during the year. The interests of A Fitzmaurice in the share capital of Nord Anglia Education PLC, the ultimate parent undertaking, are shown in that company's accounts. S Hyde did not have any interest in the shares of Nord Anglia Education PLC at 31 August 2005.

The group, of which this company is a part, has insurance cover in respect of directors and officers liability insurance. This policy is reviewed annually.

AUDITORS

On 23 May 2005, PKF transferred their business to PKF (UK) LLP, a limited liability partnership. Under Section 26 (5) of the Companies Act 1989, the company consented to extend the audit appointment to PKF (UK) LLP from 23 May 2005. Accordingly, the audit report has been signed in the name of PKF (UK) LLP who are deemed to be re-appointed in accordance with section 386 of the Companies Act 1985, by virtue of an elective resolution passed by the members on 11 June 1997.

By order of the board



S Hyde
Secretary
29 June 2006

ABET INTERNATIONAL LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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 financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 directors are responsible for keeping proper accounting records which 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 1985. 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 also responsible for ensuring that the Directors' Report is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ABET INTERNATIONAL LIMITED**

We have audited the financial statements of Abet International Limited for the year ended 31 August 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PKF (UK) LLP

PKF (UK) LLP

Registered Auditors

London, UK

29 June 2006

ABET INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 AUGUST 2005

	Notes	2005 £	2004 £
TURNOVER	2	2,999,182	2,743,360
Cost of sales		<u>(2,525,723)</u>	<u>(2,243,726)</u>
GROSS PROFIT		473,459	499,634
Administrative expenses		<u>(393,288)</u>	<u>(148,783)</u>
OPERATING PROFIT		80,171	350,851
Interest receivable		<u>568</u>	<u>336</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	80,739	351,187
Tax on profit on ordinary activities	5	<u>(29,714)</u>	<u>(46,360)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		51,025	304,827
DIVIDENDS	6	<u>(160,181)</u>	<u>(200,000)</u>
RETAINED (LOSS) / PROFIT FOR THE YEAR	11	<u>(109,156)</u>	<u>104,827</u>

All amounts relate to continuing operations.

The company has no recognised gains or losses other than the profit reported above.

ABET INTERNATIONAL LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2005

		2005	2004
	Notes	£	£
FIXED ASSETS			
Tangible	7	-	12,689
CURRENT ASSETS			
Debtors	8	241,883	736,689
Cash at bank and in hand		<u>1,939,683</u>	<u>952,643</u>
		2,181,566	1,689,332
CREDITORS			
Amounts falling due within one year	9	<u>(1,930,614)</u>	<u>(1,341,913)</u>
NET CURRENT ASSETS		<u>250,952</u>	<u>347,419</u>
NET ASSETS		<u>250,952</u>	<u>360,108</u>
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Profit and loss account	11	<u>250,950</u>	<u>360,106</u>
EQUITY SHAREHOLDER'S FUNDS	12	<u>250,952</u>	<u>360,108</u>

Approved by the board on

29 June 2006



S Hyde
Director

ABET INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2005

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material to the company's affairs.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Under FRS 1 Revised the company is exempt from the requirement to prepare a cash flow statement on the basis that it is a wholly owned subsidiary of a UK parent company that prepares consolidated financial statements.

Depreciation

Tangible fixed assets are depreciated so as to write them off over their anticipated useful lives at the following annual rates:-

Short leasehold land and buildings	- over the period of the lease
Fixtures and fittings	- 33% straight line

Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transactions. Exchange differences are taken into account in arriving at the operating profit.

Deferred income

Income is deferred to ensure it is taken to the profit and loss account equally over the length of the course.

Taxation

The taxation charge is based on the profit or loss for the year and takes into account deferred taxation arising from timing differences between the treatment of certain items for taxation and accounting purposes. An asset is not recognised to the extent that the transfer of economic benefit in future is uncertain. Deferred tax assets and liabilities have not been discounted.

2 TURNOVER

Turnover represents amounts earned by the company in respect of services provided during the year, excluding value added tax.

Turnover arose from outside of the United Kingdom but within Europe.

3 DIRECTORS' EMOLUMENTS

No emoluments were paid to the directors in the year (2004 - £Nil).

ABET INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2005

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging the following:

	2005	2004
	£	£
Auditors' remuneration - audit services	3,000	3,375
- non-audit services	3,000	3,450
Depreciation	<u>18,307</u>	<u>12,630</u>

There were no employees in the year (2004: nil).

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of charge in the year

	2005	2004
	£	£
<i>Current tax</i>		
UK corporation tax on the profit for the year	29,714	108,964
Adjustments in respect of previous years	-	(62,604)
Total current tax charge	<u>29,714</u>	<u>46,360</u>

The adjustment in respect of previous years relates to the receipt for losses surrendered to group companies.

b) Factors affecting tax charge for the year

The tax assessed for the year varies from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	£	£
Profit on ordinary activities before tax	<u>80,739</u>	<u>351,187</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	24,222	105,356
<i>Effects of</i>		
Expenses not deductible for tax purposes	5,492	3,608
Adjustment to tax charge in respect of previous year	-	(62,604)
Current tax charge for the year	<u>29,714</u>	<u>46,360</u>

ABET INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2005

6 DIVIDENDS

	2005 £	2004 £
Final dividend of £80,090.50 per ordinary share (2004: £100,000)	<u>160,181</u>	<u>200,000</u>

7 FIXED ASSETS – TANGIBLE

	Short leasehold property £	Fixtures and fittings £	Total £
Cost			
At 1 September 2004	40,530	3,497	44,027
Additions	<u>-</u>	<u>5,618</u>	<u>5,618</u>
At 31 August 2005	<u>40,530</u>	<u>9,115</u>	<u>49,645</u>
Accumulated depreciation			
At 1 September 2004	29,358	1,980	31,338
Charge for the year	<u>11,172</u>	<u>7,135</u>	<u>18,307</u>
At 31 August 2005	<u>40,530</u>	<u>9,115</u>	<u>49,645</u>
Net book value			
At 31 August 2005	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2004	<u>11,172</u>	<u>1,517</u>	<u>12,689</u>

8 DEBTORS

	2005 £	2004 £
Trade debtors	9,675	5,985
Amounts due from group undertakings	225,661	244,505
Corporation tax recoverable	4,082	62,980
Prepayments	<u>2,465</u>	<u>423,219</u>
	<u>241,883</u>	<u>736,689</u>

ABET INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2005

9 CREDITORS

Amounts falling due within one year	2005 £	2004 £
Trade creditors	1,567	2,200
Corporation tax	29,714	108,964
Proposed dividend	160,181	200,000
Accruals and deferred income	<u>1,739,152</u>	<u>1,030,749</u>
	<u>1,930,614</u>	<u>1,341,913</u>

10 SHARE CAPITAL

	2005 £	2004 £
Authorised: 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

11 PROFIT AND LOSS ACCOUNT

	2005 £	2004 £
At 1 September 2004	360,106	255,279
Retained (loss)/profit for the year	<u>(109,156)</u>	<u>104,827</u>
At 31 August 2005	<u>250,950</u>	<u>360,106</u>

12 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	2005 £	2004 £
Opening shareholder's funds	360,108	255,281
Profit for the financial year	51,025	304,827
Dividends	<u>(160,181)</u>	<u>(200,000)</u>
Closing shareholder's funds	<u>250,952</u>	<u>360,108</u>

13 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is a subsidiary of NA Schools Limited. The ultimate parent undertaking and controlling party is Nord Anglia Education PLC, which is the only undertaking for which group accounts are drawn up. Copies of the financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

In accordance with FRS 8, the company has utilised the exemption of not disclosing details of transactions with other group companies.