

KNOWLEDGEPOINT LIMITED

**DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

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KNOWLEDGEPOINT LIMITED

COMPANY INFORMATION

DIRECTORS	A M Philpot P A Gibbons
COMPANY SECRETARY	K S Philpot
REGISTERED NUMBER	03413411
REGISTERED OFFICE	C1 Eskdale Road Winnersh Wokingham Berkshire RG41 5TS
INDEPENDENT AUDITOR	James Cowper Kreston Chartered Accountants and Statutory Auditor 3 Wesley Gate Queen's Road Reading Berkshire RG1 4AP
BANKERS	NatWest Bank plc PO Box 3142 5 Broad Street Wokingham Berkshire RG40 1FH
SOLICITORS	Field Seymour Parkes The Old Coroner's Court 1 London Street Reading Berkshire RG1 4QW

KNOWLEDGEPOINT LIMITED

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KNOWLEDGEPOINT LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2014

BUSINESS REVIEW

The results of the period and financial position of the group are as shown in the annexed financial statements.

Turnover, margin and net profit are the main measures used to monitor the performance of the company.

FINANCIAL KEY PERFORMANCE INDICATORS

The company uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations. Certain assets are also financed through Hire Purchase contracts. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks which are described in more detail below.

The main risks arising from the company's financial statements are cash flow interest rate risk and credit risk.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Credit risk

The company's principal financial asset is cash.

This report was approved by the board on *19 May 2015* and signed on its behalf.



A M Philpot
Director

KNOWLEDGEPOINT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2014

The directors present their report and the financial statements for the year ended 31 August 2014.

PRINCIPAL ACTIVITY

The principal activity of the company continued to be the consultancy and production of "on demand" electronic printing products.

RESULTS

The profit for the year, after taxation and minority interests, amounted to £702,639 (2013 - £1,162,164).

DIRECTORS

The directors who served during the year were:

A M Philpot

P A Gibbons

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group strategic report, 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 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

KNOWLEDGEPOINT LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014**

AUDITOR

The auditor, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
A M Philpot
Director

Date: 19 May 2015

KNOWLEDGEPOINT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KNOWLEDGEPOINT LIMITED

We have audited the financial statements of KnowledgePoint Limited for the year ended 31 August 2014, set out on pages 6 to 23. 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).

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

UNQUALIFIED OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 August 2014 and of the group's 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 OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

KNOWLEDGEPOINT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KNOWLEDGEPOINT 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Alexander Peal BSc(Hons) FCA DChA (Senior Statutory Auditor)
for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

3 Wesley Gate

Queen's Road

Reading

Berkshire

RG1 4AP

Date: 26 May 2015

KNOWLEDGEPOINT LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £	2013 £
TURNOVER	1	8,030,242	8,368,028
Cost of sales		<u>(4,424,891)</u>	<u>(4,535,000)</u>
GROSS PROFIT		3,605,351	3,833,028
Selling and distribution costs		<u>(480,468)</u>	<u>(565,856)</u>
Administrative expenses		<u>(2,284,985)</u>	<u>(2,125,031)</u>
OPERATING PROFIT	2	839,898	1,142,141
EXCEPTIONAL ITEMS			
Other exceptional items	6	<u>-</u>	<u>(43,330)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		839,898	1,098,811
Interest receivable and similar income		2,078	1,321
Interest payable and similar charges	5	<u>(70,439)</u>	<u>(57,654)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		771,537	1,042,478
Tax on profit on ordinary activities	7	<u>(71,679)</u>	<u>117,313</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		699,858	1,159,791
Minority interests		<u>2,781</u>	<u>2,373</u>
PROFIT FOR THE FINANCIAL YEAR	17	<u>702,639</u>	<u>1,162,164</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 10 to 23 form part of these financial statements.

KNOWLEDGEPOINT LIMITED
REGISTERED NUMBER: 03413411

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Intangible assets	8		632,448		781,185
Tangible assets	9		1,435,737		1,767,431
			<u>2,068,185</u>		<u>2,548,616</u>
CURRENT ASSETS					
Stocks	11	221,778		229,681	
Debtors	12	971,556		1,247,680	
Cash at bank and in hand		1,269,970		831,012	
		<u>2,463,304</u>		<u>2,308,373</u>	
CREDITORS: amounts falling due within one year	13	<u>(1,597,883)</u>		<u>(1,847,590)</u>	
NET CURRENT ASSETS			<u>865,421</u>		<u>460,783</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,933,606</u>		<u>3,009,399</u>
CREDITORS: amounts falling due after more than one year	14		<u>(487,403)</u>		<u>(736,999)</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	15		<u>(183,437)</u>		<u>(120,693)</u>
NET ASSETS			<u><u>2,262,766</u></u>		<u><u>2,151,707</u></u>
CAPITAL AND RESERVES					
Called up share capital	16		126		126
Capital redemption reserve	17		40		40
Profit and loss account	17		2,267,752		2,153,913
SHAREHOLDERS' FUNDS	18		<u>2,267,918</u>		<u>2,154,079</u>
MINORITY INTERESTS	20		<u>(5,152)</u>		<u>(2,372)</u>
			<u><u>2,262,766</u></u>		<u><u>2,151,707</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



A M Philpot

Director

Date: 19 May 2015



P A Gibbons

Director

Date: 19 MAY 2015


The notes on pages 10 to 23 form part of these financial statements.

KNOWLEDGEPOINT LIMITED
REGISTERED NUMBER: 03413411

COMPANY BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Intangible assets	8		323,980		499,320
Tangible assets	9		1,277,674		1,498,865
Investments	10		10		10
			<u>1,601,664</u>		<u>1,998,195</u>
CURRENT ASSETS					
Stocks	11	171,219		174,877	
Debtors: amounts falling due after more than one year	12	195,515		90,521	
Debtors: amounts falling due within one year	12	485,367		1,088,707	
Cash at bank and in hand		690,155		342,845	
		<u>1,542,256</u>		<u>1,696,950</u>	
CREDITORS: amounts falling due within one year	13	<u>(1,292,641)</u>		<u>(1,507,508)</u>	
NET CURRENT ASSETS			<u>249,615</u>		<u>189,442</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,851,279</u>		<u>2,187,637</u>
CREDITORS: amounts falling due after more than one year	14		(487,403)		(736,999)
PROVISIONS FOR LIABILITIES					
Deferred tax	15		(114,626)		(90,924)
NET ASSETS			<u><u>1,249,250</u></u>		<u><u>1,359,714</u></u>
CAPITAL AND RESERVES					
Called up share capital	16		126		126
Capital redemption reserve	17		40		40
Profit and loss account	17		1,249,084		1,359,548
SHAREHOLDERS' FUNDS	18		<u><u>1,249,250</u></u>		<u><u>1,359,714</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
A M Philpot
Director

Date:

19 May 2015


.....
P A Gibbons
Director

Date:

19 MAY 2015

The notes on pages 10 to 23 form part of these financial statements.

KNOWLEDGEPOINT LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	26	1,539,814	1,677,469
Returns on investments and servicing of finance	27	(68,361)	(56,333)
Taxation		124,731	(85,937)
Capital expenditure and financial investment	27	(192,693)	(1,340,995)
Equity dividends paid		(588,800)	(120,000)
CASH INFLOW BEFORE FINANCING		814,691	74,204
Financing	27	(245,888)	270,570
INCREASE IN CASH IN THE YEAR		568,803	344,774

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 AUGUST 2014**

	2014 £	2013 £
Increase in cash in the year	568,803	344,774
Cash outflow from decrease in debt and lease financing	245,888	(270,570)
MOVEMENT IN NET DEBT IN THE YEAR	814,691	74,204
Net debt at 1 September 2013	(281,701)	(355,905)
NET FUNDS/(DEBT) AT 31 AUGUST 2014	532,990	(281,701)

The notes on pages 10 to 23 form part of these financial statements.

KNOWLEDGEPOINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Accounting convention

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

1.2 Basis of consolidation

The financial statements consolidate the accounts of KnowledgePoint Limited and all of its subsidiary undertakings ('subsidiaries').

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

With regards to the distributor agreements, turnover is recorded gross of costs when the work carried out is deemed to be over and above merely an invoicing function.

Income received in relation to authorised training centre subscriptions are recognised over the term the contract relates to.

Monies received in relation to "Marketing funds" are recognised as the associated costs are incurred.

The group recognises income from exam fees when the right to take the exam transfers to the customer.

Fees from Geo-Distributors, are based on a percentage of revenues generated from membership subscriptions sold and are recognised as revenue by the company at the invoice date.

1.4 Intangible fixed assets and amortisation

Intangible fixed assets represent software and development project costs. Amortisation is provided at rates calculated to write off the cost over the expected useful lives of the projects.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short term leasehold property	-	25% on reducing balance
Plant & machinery	-	over 3 to 9 years
Motor vehicles	-	25% on reducing balance
Fixtures & fittings	-	25% on reducing balance
Computer equipment	-	33% on reducing balance and 33.3% straight line
Software development	-	25% straight line

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

KNOWLEDGEPOINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Stocks

Stock is valued at the lower of cost and net realisable value.

1.10 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at 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 transaction. Exchange gains and losses are recognised in the Profit and loss account.

1.12 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

KNOWLEDGEPOINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

2. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the group	160,682	199,734
- held under finance leases	226,569	206,488
Auditor's remuneration	20,210	14,675
Operating lease rentals:		
- other operating leases	161,318	176,213
(Profit) / loss on foreign currency exchange	(119,941)	(117,597)
Amortisation - intangible fixed assets	280,336	109,066

Auditors fees for the company were £7,000 (2013 - £7,000)

3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	2,237,923	2,112,449
Social security costs	214,670	203,920
Other pension costs	68,397	67,549
	<u>2,520,990</u>	<u>2,383,918</u>

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

	2014 No.	2013 No.
Directors	2	2
Employees	96	98
	<u>98</u>	<u>100</u>

4. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	11,424	11,424
Company pension contributions to defined contribution pension schemes	68,397	67,549

During the year retirement benefits were accruing to 2 directors (2013 - 2) in respect of defined contribution pension schemes.

KNOWLEDGEPOINT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

5. INTEREST PAYABLE

	2014 £	2013 £
On finance leases and hire purchase contracts	<u>70,439</u>	<u>57,654</u>

6. EXCEPTIONAL ITEMS

	2014 £	2013 £
Reorganisation and restructuring costs	<u>-</u>	<u>43,330</u>

7. TAXATION

	2014 £	2013 £
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax	8,935	-
Adjustments in respect of prior periods	-	(183,663)
	<u>8,935</u>	<u>(183,663)</u>
Foreign tax on income for the year	-	55,937
	<u>8,935</u>	<u>(127,726)</u>
Total current tax	<u>8,935</u>	<u>(127,726)</u>
Deferred tax (see note 15)		
Deferred tax charge	62,744	10,413
	<u>71,679</u>	<u>(117,313)</u>
Tax on profit on ordinary activities	<u>71,679</u>	<u>(117,313)</u>

The tax assessed for the year is the same as (2013 - the same as) the standard rate of corporation tax in the UK of 21% (2013 - 21%) as set out below:

Profit on ordinary activities before tax	<u>771,537</u>	<u>1,042,478</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2013 - 21%)	162,022	55,937
Effects of:		
Adjustments to tax charge in respect of prior periods	(153,087)	(183,663)
	<u>8,935</u>	<u>(127,726)</u>
Current tax charge/(credit) for the year (see note above)	<u>8,935</u>	<u>(127,726)</u>

KNOWLEDGEPOINT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

8. INTANGIBLE FIXED ASSETS

Group	Development £
Cost	
At 1 September 2013	878,966
Additions	131,599
	<hr/>
At 31 August 2014	1,010,565
	<hr/>
Amortisation	
At 1 September 2013	97,781
Charge for the year	280,336
	<hr/>
At 31 August 2014	378,117
	<hr/>
Net book value	
At 31 August 2014	632,448
	<hr/> <hr/>
At 31 August 2013	781,185
	<hr/> <hr/>
Company	Development £
Cost	
At 1 September 2013 and 31 August 2014	533,978
	<hr/>
Amortisation	
At 1 September 2013	34,658
Charge for the year	175,340
	<hr/>
At 31 August 2014	209,998
	<hr/>
Net book value	
At 31 August 2014	323,980
	<hr/> <hr/>
At 31 August 2013	499,320
	<hr/> <hr/>

KNOWLEDGEPOINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

9. TANGIBLE FIXED ASSETS

Group	Leasehold improvement £	Plant & machinery £	Motor vehicles £	Furniture, fittings & equipment £	Computer equipment £	Total £
Cost						
At 1 September 2013	240,794	4,119,511	8,580	262,482	679,379	5,310,746
Additions	-	19,335	-	17,255	26,504	63,094
Disposals	-	(282,091)	-	(93,384)	(118,409)	(493,884)
At 31 August 2014	240,794	3,856,755	8,580	186,353	587,474	4,879,956
Depreciation						
At 1 September 2013	190,543	2,672,860	4,111	153,255	522,546	3,543,315
Charge for the year	16,750	274,576	1,117	37,590	57,218	387,251
On disposals	-	(281,201)	-	(90,911)	(114,235)	(486,347)
At 31 August 2014	207,293	2,666,235	5,228	99,934	465,529	3,444,219
Net book value						
At 31 August 2014	33,501	1,190,520	3,352	86,419	121,945	1,435,737
At 31 August 2013	50,251	1,446,651	4,469	109,227	156,833	1,767,431

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Group	2014 £	2013 £
Plant and machinery	1,056,741	1,281,954

The depreciation charge on assets held under finance leases amounted to £225,238 (2013: £192,502).

KNOWLEDGEPOINT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

Company	Plant & machinery £	Motor vehicles £	Furniture, fixtures & fittings £	Computer equipment £	Total £
Cost					
At 1 September 2013	3,214,299	8,580	226,678	612,065	4,061,622
Additions	19,335	-	13,305	26,504	59,144
Disposals	(282,091)	-	(93,384)	(115,262)	(490,737)
At 31 August 2014	<u>2,951,543</u>	<u>8,580</u>	<u>146,599</u>	<u>523,307</u>	<u>3,630,029</u>
Depreciation					
At 1 September 2013	1,965,018	4,111	125,593	468,035	2,562,757
Charge for the year	183,118	1,117	34,936	54,018	273,189
On disposals	(281,201)	-	(90,911)	(111,479)	(483,591)
At 31 August 2014	<u>1,866,935</u>	<u>5,228</u>	<u>69,618</u>	<u>410,574</u>	<u>2,352,355</u>
Net book value					
At 31 August 2014	<u>1,084,608</u>	<u>3,352</u>	<u>76,981</u>	<u>112,733</u>	<u>1,277,674</u>
At 31 August 2013	<u>1,249,281</u>	<u>4,469</u>	<u>101,085</u>	<u>144,030</u>	<u>1,498,865</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Company	2014 £	2013 £
Plant and machinery	<u>951,647</u>	<u>1,089,270</u>

The depreciation charge on assets held under finance leases amounted to £137,623 (2013: £103,556).

KNOWLEDGEPOINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

10. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2013 and 31 August 2014	10
Net book value	
At 31 August 2014	10
At 31 August 2013	10

Details of the principal subsidiaries can be found under note number 25.

11. STOCKS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Finished goods	221,778	229,681	171,219	174,877

12. DEBTORS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Due after more than one year				
Amounts owed by group undertakings	-	-	195,515	90,521
Due within one year				
Trade debtors	678,732	886,294	302,542	399,750
Amounts owed by group undertakings	-	-	-	465,320
Other debtors	280,849	361,386	182,825	223,637
Tax recoverable	11,975	-	-	-
	971,556	1,247,680	485,367	1,088,707

KNOWLEDGEPOINT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

13. CREDITORS:
Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	45	129,890	-	58,347
Net obligations under finance leases and hire purchase contracts	249,532	245,824	249,532	245,823
Trade creditors	396,451	538,666	299,135	375,756
Amounts owed to other participating interest	5,420	7,500	-	-
Corporation tax	21,613	-	6,721	-
Other taxation and social security	122,770	121,484	122,770	121,484
Other creditors	192,960	144,577	24,509	84,994
Accruals and deferred income	609,092	659,649	589,974	621,104
	<u>1,597,883</u>	<u>1,847,590</u>	<u>1,292,641</u>	<u>1,507,508</u>

The net obligations under finance leases within one year and greater than one year are secured against the assets acquired.

14. CREDITORS:
Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	<u>487,403</u>	<u>736,999</u>	<u>487,403</u>	<u>736,999</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Between one and five years	<u>487,403</u>	<u>736,999</u>	<u>487,403</u>	<u>736,999</u>

15. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
At beginning of year	120,693	110,280	90,924	60,658
Charge for the year (P&L)	39,042	12,877	-	-
Other movement (P&L)	23,702	(2,464)	23,702	30,266
At end of year	<u>183,437</u>	<u>120,693</u>	<u>114,626</u>	<u>90,924</u>

KNOWLEDGEPOINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

15. DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Accelerated capital allowances	183,437	120,693	114,626	90,924

16. SHARE CAPITAL

	2014	2013
	£	£
Authorised, allotted, called up and fully paid		
120 Ordinary A shares of £1 each	120	120
2 Ordinary B shares of £1 each	2	2
2 Ordinary C shares of £1 each	2	2
2 Ordinary D shares of £1 each	2	2
	<u>126</u>	<u>126</u>

17. RESERVES

	Capital redempt'n reserve	Profit and loss account
	£	£
Group		
At 1 September 2013	40	2,153,913
Profit for the financial year	-	702,639
Dividends: Equity capital	-	(588,800)
At 31 August 2014	<u>40</u>	<u>2,267,752</u>
	Capital redempt'n reserve	Profit and loss account
	£	£
Company		
At 1 September 2013	40	1,359,548
Profit for the financial year	-	478,336
Dividends: Equity capital	-	(588,800)
At 31 August 2014	<u>40</u>	<u>1,249,084</u>

KNOWLEDGEPOINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014	2013
Group	£	£
Opening shareholders' funds	2,154,079	1,166,218
Prior year adjustments		(54,303)
		<hr/>
Opening shareholders' funds (as restated)		1,111,915
Profit for the financial year	702,639	1,162,164
Dividends (Note 19)	(588,800)	(120,000)
	<hr/>	<hr/>
Closing shareholders' funds	2,267,918	2,154,079
	<hr/>	<hr/>
	2014	2013
Company	£	£
Opening shareholders' funds	1,359,714	743,613
Prior year adjustments		(54,303)
		<hr/>
Opening shareholders' funds (as restated)		689,310
Profit for the financial year	478,336	790,404
Dividends (Note 19)	(588,800)	(120,000)
	<hr/>	<hr/>
Closing shareholders' funds	1,249,250	1,359,714
	<hr/>	<hr/>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the year dealt with in the accounts of the company was £478,336 (2013 - £790,404).

KNOWLEDGEPOINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

19. DIVIDENDS

	2014 £	2013 £
Dividends paid on equity capital	<u>588,800</u>	<u>120,000</u>

20. MINORITY INTERESTS

Equity	£
At 1 September 2013	(2,373)
Proportion of profit/(loss) after taxation for the year	<u>(2,781)</u>
At 31 August 2014	<u>(5,154)</u>

21. OPERATING LEASE COMMITMENTS

At 31 August 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
Group	£	£
Expiry date:		
Between 2 and 5 years	<u>79,409</u>	<u>79,409</u>

At 31 August 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
Company	£	£
Expiry date:		
Between 2 and 5 years	<u>79,409</u>	<u>79,409</u>

22. FINANCIAL INSTRUMENTS

At the balance sheet date the group had outstanding forward contracts amounting to £2,183,815 (€3,200,000).

23. RELATED PARTY TRANSACTIONS

At 31 August 2014 P Gibbons and A Philpot owed £nil (2013: £29,241) and £nil (2013: £26,778) respectively to the company. No interest has been accrued on these loans.

During the year dividends of £588,800 (2013: £120,000) were paid to the directors.

KNOWLEDGEPOINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

24. ULTIMATE CONTROLLING PARTY

The company is controlled by A Philpot and P Gibbons as a result of shareholdings held by themselves and their family members.

25. PRINCIPAL SUBSIDIARIES

Company name	Percentage Shareholding
KnowledgeCast Limited	100 %
Engage Global Solutions Limited	100 %
LiveBook Limited	75 %

26. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	839,898	1,142,141
Exceptional items	-	(43,330)
Amortisation of intangible fixed assets	280,336	109,066
Depreciation of tangible fixed assets	387,251	406,222
Loss on disposal of tangible fixed assets	5,537	-
Decrease in stocks	7,903	53,276
Decrease/(increase) in debtors	164,072	(47,340)
(Decrease)/increase in creditors	(145,183)	57,434
Net cash inflow from operating activities	1,539,814	1,677,469

27. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	2,078	1,321
Hire purchase interest	(70,439)	(57,654)
Net cash outflow from returns on investments and servicing of finance	(68,361)	(56,333)
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(131,599)	(775,034)
Purchase of tangible fixed assets	(63,094)	(565,961)
Sale of tangible fixed assets	2,000	-
Net cash outflow from capital expenditure	(192,693)	(1,340,995)

KNOWLEDGEPOINT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

27. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2014 £	2013 £
Financing		
(Repayment of)/new finance leases	<u>(245,888)</u>	<u>270,570</u>

28. ANALYSIS OF CHANGES IN NET DEBT

	1 September 2013 £	Cash flow £	31 August 2014 £
Cash at bank and in hand	831,012	438,958	1,269,970
Bank overdraft	(129,890)	129,845	(45)
	<u>701,122</u>	<u>568,803</u>	<u>1,269,925</u>
Debt:			
Debts due within one year	(245,824)	(3,708)	(249,532)
Debts falling due after more than one year	(736,999)	249,596	(487,403)
	<u>(281,701)</u>	<u>814,691</u>	<u>532,990</u>
Net debt			