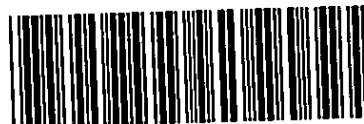


Company Registration No 03833448 (England and Wales)

MIND GYM LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

TUESDAY



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COMPANIES HOUSE

MIND GYM LIMITED

DIRECTORS AND ADVISERS

Directors	O Black S Bailey J Black
Secretary	R Postlethwaite
Company number	03833448
Registered office	160 Kensington High Street London W8 7RG
Registered auditors	Beavis Morgan Audit Limited 82 St John Street London EC1M 4JN

MIND GYM LIMITED

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MIND GYM LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report and financial statements for the year ended 31 March 2013

Principal activities and review of the business

The principal activity of the company continued to be that of the provision of management development training and related services

In keeping with most entrepreneurial journeys, Mind Gym's has not been entirely smooth. Over the last 13 years, we have had a few bumps and last year was one of them. Although we grew our top line, it wasn't sufficient to prevent significant losses. The good news is that we had built up sufficient reserves to fund this underperformance without needing external investors. The even better news is that we have learnt valuable lessons and so built the foundations for a swift turnaround and sustained, profitable growth in the years ahead.

We conducted a company-wide operational review in January which identified a number of valuable lessons. As a result we have introduced sweeping changes including:

- new training for our Client, Client service and Solutions teams to raise skills and knowledge (a case of doing for ourselves what we advise to others),
- top-notch project management skills and tools for large scale delivery so that tasks that previously took weeks can be done in hours,
- more consistent contracting so clients know what to expect and can be delighted at a cost we can afford,
- being clearer about what we do (and don't do) and the value we can bring,
- building our coaches' network so we can now deliver locally in 25 countries.

We have also had a number of important client successes:

- Santander award winning programme to transform customer service,
- Unilever appointed as sole global development provider for c 10k managers.

We have won a number of awards including Gold for Learning Company of the year 2013.

Thanks to the commitment of our clients, coaches and colleagues, we come out of this year stronger and wiser. As a result, we are confident that we will resume our path of fast, profitable growth and realise our aim of trebling the business in four years.

The directors have reviewed future trading expectations. It is expected that sales will increase and retain their historically strong profit margins together with a stable fixed cost base. After reviewing all areas of the business for 2012/13 and the forecasts, the directors are satisfied that the financial statements should continue to be prepared on the going concern basis.

The group's business is the provision of management development training and related services. Its principal risks are therefore related to the development and training industry in general. In addition, Mind Gym is exposed to various financial risks, including changes in currency exchange rates, interest rates and the credit worthiness of our counterparties. Mind Gym group manages and, if necessary, hedges against group wide credit, liquidity, interest and foreign exchange risks. Financial risk management is conducted centrally and is regulated by internal guidelines.

The group is also faced with other more general risks such as economic, strategic, regulatory, operational and control. The group seeks to mitigate and manage these risks through continual review, policy setting and regular monitoring.

MIND GYM LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

Results and dividends

The consolidated profit and loss account for the year is set out on page 6

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future

Directors

The following directors have held office since 1 April 2012

O Black

S Bailey

D Roberts

J Black

(Resigned 30 March 2013)

Auditors

Beavis Morgan Audit Limited were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

Statement of directors' responsibilities

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 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 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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

MIND GYM LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

Statement of disclosure to auditors

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

On behalf of the board



O Black

Director

18 December 2013

MIND GYM LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MIND GYM LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Mind Gym Limited (formerly The Mind Gym Limited) for the year ended 31 March 2013 set out on pages 6 to 27. 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 auditors' 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, 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 Annual Report to identify material inconsistencies with the audited financial statements. 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 group's and parent company's affairs as at 31 March 2013 and of the group's loss 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MIND GYM LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF MIND GYM 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



Richard Thacker (Senior Statutory Auditor)
for and on behalf of Beavis Morgan Audit Limited

27/12/13

Chartered Accountants
Statutory Auditor

82 St John Street
London
EC1M 4JN

MIND GYM LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 £	2012 £
Turnover	2	11,618,059	10,040,906
Cost of sales		(3,600,906)	(2,021,853)
Gross profit		8,017,153	8,019,053
Administrative expenses		(9,070,558)	(7,468,543)
Operating (loss)/profit	3	(1,053,405)	550,510
Other interest receivable and similar income		3,887	2,456
Interest payable and similar charges	4	(9,155)	-
(Loss)/profit on ordinary activities before taxation	3	(1,058,673)	552,966
Tax on (loss)/profit on ordinary activities	5	202,916	(63,578)
(Loss)/profit on ordinary activities after taxation		(855,757)	489,388

The profit and loss account has been prepared on the basis that all operations are continuing operations

MIND GYM LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	£	£
(Loss)/profit for the financial year	(855,757)	489,388
Currency translation differences on foreign currency net investments	<u>(13,963)</u>	<u>891</u>
Total recognised gains and losses relating to the year	<u>(869,720)</u>	<u>490,279</u>

MIND GYM LIMITED

BALANCE SHEETS

AS AT 31 MARCH 2013

	Notes	Group 2013 £	2012 £	Company 2013 £	2012 £
Fixed assets					
Intangible assets	8	258,585	244,041	258,585	244,041
Tangible assets	9	406,448	123,528	378,421	68,201
Investments	10	-	-	59,097	50,370
		<u>665,033</u>	<u>367,569</u>	<u>696,103</u>	<u>362,612</u>
Current assets					
Stocks	11	36,701	25,474	30,800	20,806
Debtors	12	2,917,877	2,567,718	2,222,369	2,199,549
Cash at bank and in hand		586,670	1,839,604	173,723	1,530,390
		<u>3,541,248</u>	<u>4,432,796</u>	<u>2,426,892</u>	<u>3,750,745</u>
Creditors: amounts falling due within one year	13	<u>(2,581,865)</u>	<u>(2,584,884)</u>	<u>(2,261,242)</u>	<u>(2,234,936)</u>
Net current assets		<u>959,383</u>	<u>1,847,912</u>	<u>165,650</u>	<u>1,515,809</u>
Total assets less current liabilities		<u>1,624,416</u>	<u>2,215,481</u>	<u>861,753</u>	<u>1,878,421</u>
Creditors' amounts falling due after more than one year	14	<u>(266,288)</u>	<u>-</u>	<u>(266,288)</u>	<u>-</u>
		<u>1,358,128</u>	<u>2,215,481</u>	<u>595,465</u>	<u>1,878,421</u>
Capital and reserves					
Called up share capital	18	896	896	896	896
Other reserves	19	61,795	49,428	61,795	49,428
Profit and loss account	19	1,295,437	2,165,157	532,774	1,828,097
Shareholders' funds	20	<u>1,358,128</u>	<u>2,215,481</u>	<u>595,465</u>	<u>1,878,421</u>

Approved by the Board and authorised for issue on 18 December 2013


O Black
Director

Company Registration No. 03833448

MIND GYM LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

	£	2013 £	£	2012 £
Net cash (outflow)/inflow from operating activities		(845,763)		64,169
Returns on investments and servicing of finance				
Interest received	3,887		2,456	
Interest paid	(9,155)		-	
Net cash (outflow)/inflow for returns on investments and servicing of finance		(5,268)		2,456
Taxation		(29,469)		(54,587)
Capital expenditure				
Payments to acquire intangible assets	(277,590)		(256,093)	
Payments to acquire tangible assets	(425,726)		(133,478)	
Receipts from sales of tangible assets	1,810		-	
Net cash outflow for capital expenditure		(701,506)		(389,571)
Equity dividends paid		-		(200,000)
Net cash outflow before management of liquid resources and financing		(1,582,006)		(577,533)
Financing				
New long term bank loan	266,288		-	
Other new short term loans	62,784		-	
Net cash inflow/(outflow) from financing		329,072		-
Decrease in cash in the year		(1,252,934)		(577,533)

MIND GYM LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

1	Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities	2013	2012
		£	£
	Operating (loss)/profit	(1,053,405)	550,510
	Depreciation of tangible assets	402,559	64,784
	Amortisation of intangible assets	1,483	176,496
	(Loss) on disposal of tangible assets	-	(452)
	Increase in stocks	(11,227)	(11,079)
	Increase in debtors	(223,724)	(1,270,175)
	Increase in creditors within one year	40,147	530,393
	Net effect of foreign exchange differences	(13,963)	-
	Transfer to share based payment reserve	12,367	23,692
	Net cash (outflow)/inflow from operating activities	(845,763)	64,169
2	Analysis of net funds	1 April 2012	Cash flow Other non- 31 March 2013 cash changes
		£	£
	Net cash		
	Cash at bank and in hand	1,839,604	586,670
	Debts falling due within one year	-	(62,784)
	Debts falling due after one year	-	(266,288)
		-	(329,072)
	Net funds	1,839,604	257,598
3	Reconciliation of net cash flow to movement in net funds	2013	2012
		£	£
	Decrease in cash in the year	(1,252,934)	(577,533)
	Cash inflow from increase in debt	(329,072)	-
	Movement in net funds in the year	(1,582,006)	(577,533)
	Opening net funds	1,839,604	2,417,137
	Closing net funds	257,598	1,839,604

MIND GYM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The group has considerable financial resources and the directors believe it is well placed to manage its business risks successfully. The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual accounts. In making their assessment, the directors have considered formal budgets to 31 March 2014 and current trading conditions at the date of approval of the financial statements, which they believe will continue.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2013. The results of subsidiaries acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Revenue is recognised at the date training courses are completed. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

1.5 Intangible assets

Intangible fixed assets comprise trademark rights and software development capital expenditure. These are shown in the financial statements at cost.

Intangible assets are amortised through the profit and loss account in equal instalments over the estimated useful life of the asset. The estimated useful life for trademark rights is 5 years and 2 years for capitalised software development.

1.6 Software development

Software development expenditure is written off to the profit and loss account unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred as an intangible asset and amortised over the period during which the group is expected to benefit, being 2 years.

1.7 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 less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Over the period of the lease
Fixtures, fittings & equipment	50% Straight line

MIND GYM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting policies

(continued)

1.8 Leasing

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight line basis over the lease term

All the incentives for the agreement of new or renewed operating leases are recognised as an integral part of net payment agreed for the use of the leased asset, irrespective of the incentives' nature or form or the timing of the payments

1.9 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.10 Stock

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

1.11 Pensions

The Group provides a defined contribution scheme, the assets of which are held separately from those of the group in an independently administered fund. Contributions to the scheme are charged to the profit and loss account as they become payable

1.12 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. The deferred tax balance has not been discounted

The directors provide for deferred tax asset on carry forward trading losses to the extent that it is regarded as more likely than not they will be recovered

1.13 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account

The financial statements of foreign subsidiaries are consolidated using the closing rate net investment method. Assets and liabilities are translated at closing foreign exchange rates. The profit and loss accounts of foreign subsidiaries are translated using average foreign exchange rates. Differences on translation are taken to reserves

MIND GYM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

2 Turnover

The total turnover of the group for the year has been derived from its principal activity

Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below

	2013	2012
	£	£
Geographical segment		
UK	5,955,018	7,367,769
US	3,358,265	1,943,754
Singapore	60,841	32,692
Middle East	1,296,055	67,433
Europe	594,504	434,409
Rest of the World	353,376	194,849
	<u>11,618,059</u>	<u>10,040,906</u>

3 Operating (loss)/profit

	2013	2012
	£	£
Operating (loss)/profit is stated after charging		
Amortisation of intangible assets	263,046	176,496
Depreciation of tangible assets	140,996	64,784
Profit/(loss) on foreign exchange transactions	1,820	(9,404)
Research and development	3,244	29,778
Operating lease rentals	247,105	185,225
Fees payable to the group's auditor for the audit of the group's annual accounts (company £9,965, 2012 £9,500)	11,903	9,500
Remuneration of auditors for non audit work	<u>5,803</u>	<u>4,500</u>

4 Interest payable

	2013	2012
	£	£
On bank loans	<u>9,155</u>	<u>-</u>

MIND GYM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

5	Taxation	2013 £	2012 £
	Domestic current year tax		
	U K corporation tax	(62,199)	56,944
	Foreign corporation tax		
	Foreign corporation tax	(12,225)	6,634
	Total current tax	(74,424)	63,578
	Deferred tax		
	Deferred tax charge/credit current year	(128,492)	-
		<u>(202,916)</u>	<u>63,578</u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	<u>(1,058,673)</u>	<u>552,966</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2012 - 26.00%)	<u>(254,082)</u>	<u>143,771</u>
	Effects of		
	Non deductible expenses	9,687	8,088
	Depreciation add back	90,265	59,495
	Capital allowances	(24,569)	(21,998)
	Foreign tax adjustments	5,255	(5,255)
	Adjustments to previous periods	56,944	-
	Other tax adjustments	42,076	(120,523)
		<u>179,658</u>	<u>(80,193)</u>
	Current tax charge for the year	<u>(74,424)</u>	<u>63,578</u>

The company has estimated trading losses of £1,199,000 (2012 £nil) available for carry forward against future trading profits, subject to agreement with HM Revenue and Customs. As per the accounting policy of the company, a deferred tax asset of approximately £115,000 (2012 £nil) has been provided in the accounts which is disclosed under note 15.

MIND GYM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

6 (Loss)/profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The (loss)/profit for the financial year is made up as follows

	2013 £	2012 £
Holding company's (loss)/profit for the financial year	(1,295,323)	406,313

7 Dividends

	2013 £	2012 £
Ordinary interim paid	-	200,000

8 Intangible fixed assets Group and company

	Patents £	Development Costs £	Total £
Cost			
At 1 April 2012	63,370	468,076	531,446
Additions	-	277,590	277,590
At 31 March 2013	63,370	745,666	809,036
Amortisation			
At 1 April 2012	61,823	225,582	287,405
Charge for the year	1,483	261,563	263,046
At 31 March 2013	63,306	487,145	550,451
Net book value			
At 31 March 2013	64	258,521	258,585
At 31 March 2012	1,547	242,494	244,041

MIND GYM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

9 Tangible fixed assets

Group

	Land and buildings short leasehold improvements £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2012	143,148	359,543	502,691
Additions	215,918	209,808	425,726
Disposals	(138,172)	(1,810)	(139,982)
At 31 March 2013	<u>220,894</u>	<u>567,541</u>	<u>788,435</u>
Depreciation			
At 1 April 2012	138,172	240,991	379,163
On disposals	(138,172)	-	(138,172)
Charge for the year	<u>19,784</u>	<u>121,212</u>	<u>140,996</u>
At 31 March 2013	<u>19,784</u>	<u>362,203</u>	<u>381,987</u>
Net book value			
At 31 March 2013	<u>201,110</u>	<u>205,338</u>	<u>406,448</u>
At 31 March 2012	<u>4,976</u>	<u>118,552</u>	<u>123,528</u>

MIND GYM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

9 Tangible fixed assets

(continued)

Company

	Land and buildings short leasehold improvements £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2012	138,172	289,077	427,249
Additions	215,657	202,262	417,919
Disposals	(138,172)	(1,810)	(139,982)
At 31 March 2013	215,657	489,529	705,186
Depreciation			
At 1 April 2012	138,172	220,876	359,048
On disposals	(138,172)	-	(138,172)
Charge for the year	17,236	88,653	105,889
At 31 March 2013	17,236	309,529	326,765
Net book value			
At 31 March 2013	198,421	180,000	378,421
At 31 March 2012	-	68,201	68,201

MIND GYM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

10 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 April 2012	50,370
Additions	8,727
At 31 March 2013	59,097
Net book value	
At 31 March 2013	59,097
At 31 March 2012	50,370

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Mind Gym (USA) Inc	USA	Common stock	100
Mind Gym Performance (Asia) Pte Ltd	Singapore	Ordinary shares	100
Mind Gym Middle East FZ-LLC	Dubai	Ordinary Shares	100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Mind Gym (USA) Inc	The provision of management and development training and related services
Mind Gym Performance (Asia) Pte Ltd	The provision of management and development training and related services
Mind Gym Middle East FZ-LLC	The provision of management and development training and related services

MIND GYM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

10 Fixed asset investments

(continued)

On 23 August 2012, Mind Gym Middle East FZ-LLC was incorporated in Dubai. The company is a wholly owned subsidiary of Mind Gym Limited, cost of whose investment is £8,727

11 Stocks

	Group 2013 £	2012 £	Company 2013 £	2012 £
Finished goods	<u>36,701</u>	<u>25,474</u>	<u>30,800</u>	<u>20,806</u>

12 Debtors

	Group 2013 £	2012 £	Company 2013 £	2012 £
Trade debtors	1,665,897	1,443,312	1,081,765	1,131,454
Amounts owed by group undertakings	-	-	381,159	304,005
Corporation tax	199,082	201,139	129,951	-
Other debtors	152,190	95,481	51,156	61,348
Prepayments and accrued income	772,216	827,786	449,846	702,742
Deferred tax asset (see note 15)	128,492	-	128,492	-
	<u>2,917,877</u>	<u>2,567,718</u>	<u>2,222,369</u>	<u>2,199,549</u>

13 Creditors amounts falling due within one year

	Group 2013 £	2012 £	Company 2013 £	2012 £
Bank loans and overdrafts	62,784	-	62,784	-
Trade creditors	717,688	532,512	602,644	428,439
Amounts owed to group undertakings	-	-	122,566	-
Corporation tax	-	105,950	-	8,017
Other taxes and social security costs	282,397	277,195	282,378	277,195
Other creditors	75,574	41,112	70,264	39,126
Accruals and deferred income	1,443,422	1,628,115	1,120,606	1,482,159
	<u>2,581,865</u>	<u>2,584,884</u>	<u>2,261,242</u>	<u>2,234,936</u>

MIND GYM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

14 Creditors amounts falling due after more than one year

	Group 2013 £	2012 £	Company 2013 £	2012 £
Bank loans	266,288	-	266,288	-
Analysis of loans				
Wholly repayable within five years	329,072	-	329,072	-
Included in current liabilities	(62,784)	-	(62,784)	-
	266,288	-	266,288	-
Loan maturity analysis				
In more than one year but not more than two years	62,784	-	-	-
In more than two years but not more than five years	203,504	-	-	-

The bank loan is secured by a fixed and floating charge over the assets of the company

15 Provisions for liabilities

The deferred tax asset (included in debtors, note 12) is made up as follows

	Group 2013 £		Company 2013 £	
Profit and loss account	(128,492)		(128,492)	
	Group 2013 £	2012 £	Company 2013 £	2012 £
(Decelerated)/accelerated capital allowances	(13,492)	-	(13,492)	-
Deferred tax asset on trading losses	(115,000)	-	(115,000)	-
Provision for deferred taxation	(128,492)	-	(128,492)	-

The company has not provided for a deferred tax asset of £160,070 (2012 £Nil) based on the full amount of available trading losses of £1,199,000 as in the view of the directors, it is regarded as more unlikely that they will be recovered

MIND GYM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

16 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. Contributions totalling £24,345 (2012 £24,985) were payable to the fund at the year end and are included in other creditors.

	2013 £	2012 £
Contributions payable by the group for the year	<u>146,321</u>	<u>91,603</u>

MIND GYM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

17 Share-based payment transactions

The group operates several Enterprise Management Incentive plans for certain employees. In accordance with the provision of the plans, employees may acquire shares in the parent company ("company"), options vest on the occurrence of certain events such as a listing or sale of the company or after certain performance or market conditions are met. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. During the year 62 options lapsed due to employees ceasing to be employed by the company.

Type of arrangement

Date of grant	13 March 2009	19 September 2011
Number granted	104	24
Contractual life	10 years	10 years
Risk free rate	3.0585%	2.48%
Volatility	75%	75%
Exercise price	£1,262	£2,013
Market value	£1,262	£2,013
Expected dividend	0%	0%

The total expenses recognised in the profit and loss account for the year arising from share based transactions were £12,367 (2012: £23,692). The weighted average exercise price of the options issued is £1,403 (2012: £1,602).

Options were priced using a Binomial option pricing model. Where relevant the expected useful life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural consideration.

Volatility has been determined by reference to the price at which shares have been issued during the period.

MIND GYM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

17 Share-based payment transactions

(continued)

Group and company

	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	2013	2013 £	2012	2012 £
At 1 April 2012	190	1,602	104	1,262
Granted	-	-	86	2,013
Forfeited	(62)	(2,013)	-	-
Outstanding at 31 March 2013	128	1,403	190	1,602

No options were exercised during the year

No options were exercisable at the year end

18 Share capital

Allotted, called up and fully paid

	2013 £	2012 £
671 A Ordinary shares of £1 each	671	671
97 B Ordinary shares of £1 each	97	97
10 D Ordinary shares of £1 each	10	10
59 F Ordinary shares of £1 each	59	59
59 G Ordinary shares of £1 each	59	59

MIND GYM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

19 Statement of movements on reserves Group

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2012	49,428	2,165,157
Loss for the year	-	(855,757)
Foreign currency translation differences	-	(13,963)
Movement during the year	12,367	-
Balance at 31 March 2013	<u>61,795</u>	<u>1,295,437</u>

Other reserves

£

Capital redemption reserve

Balance at 1 April 2012 & at 31 March 2013

104

Share options reserve

Balance at 1 April 2012

49,324

Special reserve movement

12,367

Balance at 31 March 2013

61,691

Company

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2012	49,428	1,828,097
Loss for the year	-	(1,295,323)
Movement during the year	12,367	-
Balance at 31 March 2013	<u>61,795</u>	<u>532,774</u>

Other reserves

£

Capital redemption reserve

Balance at 1 April 2012 & at 31 March 2013

104

Share options reserve

Balance at 1 April 2012

49,324

Special reserve movement

12,367

Balance at 31 March 2013

61,691

MIND GYM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

20	Reconciliation of movements in shareholders' funds Group	2013	2012
		£	£
	(Loss)/Profit for the financial year	(855,757)	489,388
	Dividends	-	(200,000)
		(855,757)	289,388
	Other recognised gains and losses	(13,963)	891
	Movement in share option reserve during the year	12,367	23,692
	Net (depletion in)/addition to shareholders' funds	(857,353)	313,971
	Opening shareholders' funds	2,215,481	1,901,510
	Closing shareholders' funds	1,358,128	2,215,481
		2013	2012
	Company	£	£
	(Loss)/Profit for the financial year	(1,295,323)	406,313
	Dividends	-	(200,000)
	Movement in share option reserve during the year	12,367	23,692
	Net (depletion in)/addition to shareholders' funds	(1,282,956)	230,005
	Opening shareholders' funds	1,878,421	1,648,416
	Closing shareholders' funds	595,465	1,878,421

MIND GYM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

21 Financial commitments

At 31 March 2013 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Expiry date				
Within one year	-	130,236	899	24,928
Between two and five years	405,772	264,261	35,888	3,384
	<u>405,772</u>	<u>394,497</u>	<u>36,787</u>	<u>28,312</u>

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Expiry date				
Within one year	-	130,236	-	24,928
Between two and five years	330,000	219,145	32,335	-
	<u>330,000</u>	<u>349,381</u>	<u>32,335</u>	<u>24,928</u>

22 Directors' remuneration

	2013	2012
	£	£
Remuneration for qualifying services	250,542	647,406
Company pension contributions to defined contribution schemes	18,117	12,667
	<u>268,659</u>	<u>660,073</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2012 - 2)

Remuneration disclosed above include the following amounts paid to the highest paid director

	2013	2012
	£	£
Remuneration for qualifying services	128,542	500,880
Company pension contributions to defined contribution schemes	8,117	10,000
	<u>136,659</u>	<u>510,880</u>

MIND GYM LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

23 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2013 Number	2012 Number
Administration	74	60
Management	15	8
	<u>89</u>	<u>68</u>

Employment costs

	2013 £	2012 £
Wages and salaries	4,944,205	4,267,389
Social security costs	561,539	433,908
Other pension costs	146,321	91,603
Costs of share option scheme	12,367	23,692
	<u>5,664,432</u>	<u>4,816,592</u>

24 Related party relationships and transactions

Group

At the balance sheet date Mind Gym (USA) Inc owed S Bailey, a director of the company, £2,132

Company

At the balance sheet date, Mind Gym Limited owed £122,567 (2012 £(304,005)) to Mind Gym (USA) Inc ("Mind Gym USA"), a wholly owned subsidiary. Loans to Mind Gym USA bear interest at 1% above JP Morgan Chase Bank prime rate

Mind Gym Performance (Asia) Pte Ltd, a wholly owned subsidiary of Mind Gym Limited owed the company £82,759 (2012 £nil) at the balance sheet date

Mind Gym Middle East FZ-LLC, a wholly owned subsidiary of Mind Gym Limited owed the company £298,400 (2012 £nil) as at 31 March 2013

The company owed Casati Estates Limited £75,000 (2012 £nil), a company in which O Black and J Black are directors

During the year a dividend of £nil (2012 £200,000) was paid by the company to its directors

At the balance sheet date the company owed £4,479 to O Black, £1,160 to S Bailey, £576 to J Black and £18,000 to D Roberts all of whom are directors of the company