

## **Mind Gym Limited**

Report and Financial Statements

Year Ended

31 March 2015

Company Number 03833448



# Mind Gym Limited

## Report and financial statements for the year ended 31 March 2015

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### Contents

#### Page:

1	Strategic report
5	Report of the directors
7	Independent auditor's report
9	Consolidated profit and loss account
10	Consolidated statement of total recognised gains and losses
11	Consolidated balance sheet
12	Company balance sheet
13	Consolidated cash flow statement
14	Notes forming part of the financial statements

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### Directors

O Black  
S Bailey  
J Black  
D Nelson  
J Healey

### Secretary and registered office

R Postlethwaite, 160 Kensington High Street, London, W8 7RG

### Company number

03833448

### Auditor

BDO LLP, 55 Baker Street, London, W1U 7EU

# Mind Gym Limited

## Strategic report for the year ended 31 March 2015

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The directors present their strategic report together with the audited financial statements for the year ended 31 March 2015.

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

### Business review

This has been another strong year in terms of operational performance and investing for the future.

We set financial targets of 20% revenue growth and increases in both gross margin and EBITDA, all of which were achieved. The business has grown by 75% over the last two years.

We set a participant feedback target of 50% scoring their experience 'Excellent' (5/5) for Q4 which, for the first time in the company's history, we achieved.

We committed to launch two new research papers with supporting products both of which have been enthusiastically embraced by clients.

- We entered a new market: diversity & inclusion. Our 'One of us' research paper and new products both brought in new clients and opened up new possibilities with existing clients. The three new D&I workouts were delivered 99 times with a wide range of clients including Unilever, Friends Provident and Met Life. We are in pitches for major D&I programs in both US and UK and believe that D&I will be a significant new source of business in FY16.
- We radically revamped our manager development offer, launching a new research paper and a new product category: Workout Pro. The new Workout Pros have already been delivered 151 times and 49.1% of participants scored them as 'Excellent'. The whitepaper was launched at a symposium we hosted with 100 heads of L&D/OD/Talent in London.

We have invested heavily in building our own bespoke technology to deliver better quality, more consistently, for less. The first of these new innovations is 'Fast Feedback' which allows coaches to photograph and upload feedback using a Mind Gym app. This has reduced average time to deliver analysis of participant feedback to clients from 2 weeks to 48 hours. It has also removed the risk inherent in using national (and international) mail services.

As a result of this and investments in other processes and systems we now deliver up to 400 live training events a week in 40 countries smoothly and without incident. We have managed to do this whilst also reducing the cost of delivery as %age of revenue.

Another major investment has been in the Client team which has more than doubled in US and UK. This is leading to a corresponding increase in the number of meetings we have with clients which will be a significant factor in maintaining growth in FY16.

Mind Gym has been widely recognised during the year, including

- Our book 'Achieve more by thinking differently' reached no. 1 on Wall Street Journal e-book bestsellers
- No. 16 on The Sunday Times SME Export Track 100 (2015)
- HR consultancy of the year 2014 - Personnel Today
- Learning company of the year 2015 Learning & Performance Institute
- Trainingindustry.com Watch List 2015
- Partnership in Learning and Development Excellence 2015 - HRO Today
- Excellence in Vendor Partnership Award 2014 - Chief Learning Officer
- Responsible Business Award 2014 - Business in the Community

# Mind Gym Limited

## Strategic report for the year ended 31 March 2015 (*continued*)

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### Business review (*continued*)

This last award is for our philanthropic programme Parent Gym, which has now been extended from London to Brighton and Ipswich. During the year we redesigned the programme based on new research and the latest feedback from parents. We also delivered 150 sets of 6-week programmes, reaching 1,500 parents. Parent Gym is funded entirely by Mind Gym and receives 1% of top line revenue..

### Goals for next year (FY16) and beyond

Our goals for the next three years include:

- Continued annual revenue growth >20%pa and increases in EBITDA (%)
- Year-on-year increases in participant quality measured by those scoring the experience as 'Excellent'. FY16 target = 50%.
- Continue to launch ground breaking new research papers, solutions and products; on Performance management and Change agility (FY16) and Customer service (FY17)
- Develop new technology that enhances our clients' experience and increases efficiency including semi-automated coach selection and booking, client self-service and a range of apps and other products for participants to drive greater application of learning
- Build the capability of our front line teams to help clients solve their problems and so increase conversion rates for new business and accelerate the growth of existing clients.

Mind Gym is a disruptor in the world of Human Performance. This gives us the opportunity to transform businesses and the lives of people who work in them all over the world and to re-define an industry. It is an opportunity that we will seize even more vigorously in the years ahead.

# Mind Gym Limited

## Strategic report for the year ended 31 March 2015 (*continued*)

### Key performance

The company uses a number of key performance indicators (KPI) for its day to day operations and management review. These include, but are not limited to, the below KPI's:

	2015	2014
Revenue	£ 19,834,373	£ 16,464,648
Operating profit	£ 1,502,340	£ 822,655
EBITDA	£ 1,872,453	£ 1,387,665
Profit before tax	£ 1,509,108	£ 805,864
Net assets	£ 2,669,395	£ 1,790,891
Excellence rate	48.8 %	46.8 %
Error rate	9.7 %	8.6 %
Courses provided	10,318	9,361

To ensure Mind Gym is always meeting our high expectations, we collect participant feedback cards after each session. Our Excellence target increases each year as we adjust our methods and practices to deliver at a consistently high level.

**Excellence** = The *Excellent* rate is built from how many participants rated the workout as '*Excellent*' (5).

**Error** = Error is when fewer than 70% of the participants rated the workout '*very good*' (4) or '*Excellent*' (5).

EBITDA is a non statutory measure and is calculated as operating profit before depreciation and amortisation.

### Principal risks and uncertainties

The Company recognises the potential financial risks that it faces in the current environment and the board regularly considers each in turn to ensure that they are mitigated as far as possible.

The continual focus in this area of quality improvement has the objective of diminishing operational business risk.

#### *Loss of key employees*

The day-to-day running of the business is now largely done by the Operating Exec, chaired by COO and on which the founders do not sit. The company is setting up more consistent procedures, systems and knowledge management infrastructure so there is less dependency on individual employees. Unwanted attrition is also at an all-time low, in part thanks to an engaging work environment and competitive reward and benefit packages. That said, there is always a risk that key employees will choose to leave and we are setting up succession planning to mitigate the risk should this happen.

#### *Liquidity risk*

The liquidity needs of the business are under constant review to ensure the availability of capital to fund organic investment.

#### *Exchange risk*

Due to the international nature of the business, a proportion of sales and costs arise in foreign currencies. The company constantly reviews its net foreign currency exposure and will where necessary protect itself against exchange risks by taking out forward exchange contracts.

# Mind Gym Limited

## Strategic report for the year ended 31 March 2015 (continued)

### Principal risks and uncertainties (continued)

#### *Reliance on key clients*

Every year we aim to reduce dependency on a few clients. The following illustrates progress although there is clearly more to do.

As %age global revenue	FY15	FY14
Top 1	7.1%	15.5%
Top 5	27.1%	33.1%
Top 10	39.0%	47.2%

On behalf of the board

O Black  
Director



30 November 2015

# Mind Gym Limited

## Report of the directors for the year ended 31 March 2015

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The directors present their report together with the audited financial statements for the year ended 31 March 2015.

### Results and dividends

The profit and loss account is set out on page 9 and shows the profit for the year.

Interim dividends were paid to ordinary F and G shareholders during the year as per note 9. The directors do not recommend the payment of a final dividend.

### Principal activities

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

A review of the business and future developments is included in the strategic report.

### Directors

The directors of the company during the year were:

O Black  
S Bailey  
J Black  
D Nelson (appointed 2 April 2014)  
J Healey (appointed 29 March 2015)

### Directors' responsibilities

The directors are responsible for preparing the 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 group and company 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 group and company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# Mind Gym Limited

## Report of the directors for the year ended 31 March 2015 (*continued*)

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### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP were appointed as auditors during the year and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

### On behalf of the board

O Black  
Director



30 November 2015

# **Mind Gym Limited**

## **Independent auditor's report**

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### **To the members of Mind Gym Limited**

We have audited the financial statements of Mind Gym Limited for the year ended 31 March 2015 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and company balance sheets, the consolidated cash flow statement 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).

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 auditors**

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 March 2015 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 matters prescribed by the Companies Act 2006**

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

# Mind Gym Limited

## Independent auditor's report (*continued*)

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### 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.

**BDO LLP**

*Stuart Collins (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom*

30 November 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Mind Gym Limited

## Consolidated profit and loss account for the year ended 31 March 2015

	Note	2015 £	2014 £
<b>Turnover</b>	2	<b>19,834,373</b>	16,464,648
Cost of sales		<b>5,205,608</b>	4,825,135
		<hr/>	<hr/>
<b>Gross profit</b>		<b>14,628,765</b>	11,639,513
Administrative expenses		<b>13,126,425</b>	10,816,858
		<hr/>	<hr/>
<b>Group operating profit</b>	3	<b>1,502,340</b>	822,655
Other interest receivable and similar income		<b>19,582</b>	2,685
Interest payable and similar charges	6	<b>(12,814)</b>	(19,476)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>1,509,108</b>	805,864
Taxation on profit on ordinary activities	8	<b>346,712</b>	251,518
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>	20	<b>1,162,396</b>	554,346
		<hr/>	<hr/>

All amounts relate to continuing activities.

The notes on pages 14 to 29 form part of these financial statements.

# Mind Gym Limited

## Consolidated statement of total recognised gains and losses for the year ended 31 March 2015

	Note	2015 £	2014 £
<b>Consolidated statement of total recognised gains and losses</b>			
Profit for the financial year		<b>1,162,396</b>	554,346
Total gains and losses for the year before currency adjustments		<b>1,162,396</b>	554,346
Exchange translation differences on consolidation	20	<b>53,741</b>	(33,950)
<b>Total recognised gains and losses for the financial year</b>		<b>1,216,137</b>	520,396

The notes on pages 14 to 29 form part of these financial statements.

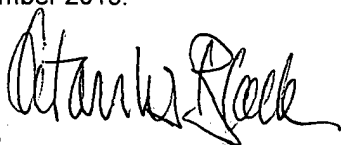
# Mind Gym Limited

## Consolidated balance sheet at 31 March 2015

<b>Company number 03833448</b>	<b>Note</b>	<b>2015 £</b>	<b>2015 £</b>	<b>2014 £</b>	<b>2014 £</b>
<b>Fixed assets</b>					
Intangible assets	10		237,657		187,319
Tangible assets	11		175,844		268,711
			<u>413,501</u>		<u>456,030</u>
<b>Current assets</b>					
Stocks	13	263,209		102,908	
Debtors	14	4,840,797		4,063,570	
Cash at bank and in hand		2,122,815		1,075,781	
		<u>7,226,821</u>		<u>5,242,259</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>4,835,920</u>		<u>3,716,416</u>	
<b>Net current assets</b>			<u>2,390,901</u>		<u>1,525,843</u>
<b>Total assets less current liabilities</b>			<u>2,804,402</u>		<u>1,981,873</u>
<b>Creditors: amounts falling due after more than one year</b>	16		<u>135,007</u>		<u>190,982</u>
			<u>2,669,395</u>		<u>1,790,891</u>
<b>Capital and reserves</b>					
Called up share capital	19		896		896
Capital redemption reserve	20		104		104
Other reserves	20		86,425		74,058
Profit and loss account	20		2,581,970		1,715,833
<b>Shareholders' funds</b>	21		<u>2,669,395</u>		<u>1,790,891</u>

The financial statements were approved by the board of directors and authorised for issue on 30 November 2015.

O Black  
Director



The notes on pages 14 to 29 form part of these financial statements.

# Mind Gym Limited

## Company balance sheet at 31 March 2015

<b>Company number 03833448</b>	<b>Note</b>	<b>2015 £</b>	<b>2015 £</b>	<b>2014 £</b>	<b>2014 £</b>
<b>Fixed assets</b>					
Intangible assets	10		237,657		187,319
Tangible assets	11		151,366		254,066
Fixed asset investments	12		59,097		59,097
			<u>448,120</u>		<u>500,482</u>
<b>Current assets</b>					
Stocks	13	154,283		80,041	
Debtors	14	3,498,627		2,789,205	
Cash at bank and in hand		768,913		393,162	
		<u>4,421,823</u>		<u>3,262,408</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>3,175,846</u>		<u>2,496,943</u>	
<b>Net current assets</b>			<u>1,245,977</u>		<u>765,465</u>
<b>Total assets less current liabilities</b>			<u>1,694,097</u>		<u>1,265,947</u>
<b>Creditors: amounts falling due after more than one year</b>	16		<u>135,007</u>		<u>190,982</u>
			<u>1,559,090</u>		<u>1,074,965</u>
<b>Capital and reserves</b>					
Called up share capital	19		896		896
Capital redemption reserve	20		104		104
Other reserves	20		86,425		74,058
Profit and loss account	20		1,471,665		999,907
<b>Shareholders' funds</b>	21		<u>1,559,090</u>		<u>1,074,965</u>

The financial statements were approved by the board of directors and authorised for issue on 30 November 2015.

O Black  
Director



The notes on pages 14 to 29 form part of these financial statements.

# Mind Gym Limited

## Consolidated cashflow statement for the year ended 31 March 2015

	Note	2015 £	2015 £	2014 £	2014 £
<b>Net cash inflow from operating activities</b>	25		1,788,455		1,248,596
<b>Returns on investments and servicing of finance</b>					
Interest received		19,582		2,685	
Interest paid: bank loans		(12,814)		(19,476)	
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>			6,768		(16,791)
<b>Taxation</b>					
Corporation tax paid			(9,594)		(230,723)
<b>Capital expenditure and financial investment</b>					
Payments to acquire intangible fixed assets		(251,956)		(277,891)	
Payments to acquire tangible fixed assets		(73,854)		(71,764)	
Receipts from sale of tangible fixed assets		-		468	
<b>Net cash outflow from capital expenditure and financial investment</b>			(325,810)		(349,187)
<b>Dividends paid</b>			(350,000)		(100,000)
<b>Cash inflow before use of financing</b>			1,109,819		551,895
<b>Financing</b>					
Bank loan repaid			(62,785)		(62,784)
<b>Increase in cash</b>	26		1,047,034		489,111

The notes on pages 14 to 29 form part of these financial statements.

# Mind Gym Limited

## Notes forming part of the financial statements for the year ended 31 March 2015

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### 1 Accounting policies

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

The following principal accounting policies have been applied:

#### *Basis of consolidation*

The consolidated financial statements incorporate the results of Mind Gym Limited and all of its subsidiary undertakings as at 31 March 2015 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

#### *Turnover*

Turnover represents amounts receivable for goods and services net of value added tax and trade discounts. Revenue is recognised at the date training courses are completed or delivery of goods made. 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.

#### *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 installments over the estimated useful life of the asset. The estimated useful life for trademark rights is 5 years and for capitalised software development it is 2 years.

#### *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.

#### *Depreciation*

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Land and buildings leasehold	- Over the period of the lease
Fixtures, fittings and equipment	- 50% straight line

#### *Investments*

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

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

# Mind Gym Limited

## Notes forming part of the financial statements for the year ended 31 March 2015 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Foreign currency*

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

The results of overseas operations are translated at the average rates of exchange during the year and the balance sheet translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to reserves.

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date.

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.

Deferred tax balances are not discounted.

#### *Leasing*

Rentals applicable to operating leases where substantially all of the benefits are 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.

#### *Pension*

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 in the year in which they become payable.

# Mind Gym Limited

Notes forming part of the financial statements  
for the year ended 31 March 2015 (continued)

## 2 Turnover

	2015 £	2014 £
Analysis by geographical market:		
United Kingdom	8,366,610	7,163,810
Europe (excluding United Kingdom)	1,490,845	1,142,167
United States	6,576,792	5,121,492
Middle East	1,519,962	1,214,966
Singapore	207,909	178,523
Rest of the World	1,672,255	1,643,690
	<u>19,834,373</u>	<u>16,464,648</u>

Turnover is wholly attributable to the principal activity of the group.

## 3 Operating profit

	2015 £	2014 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	168,495	215,853
Amortisation of other intangible fixed assets	201,618	349,157
Hire of other assets - operating leases	345,044	339,763
Fees payable to the company's auditor for the auditing of the company's annual accounts	17,500	14,500
Fees payable to the company's auditor for other non-audit services	25,500	5,000
Exchange differences	(117,426)	195,529
Share-based payment (see note 18)	12,367	12,367
	<u></u>	<u></u>

## 4 Employees

Staff costs (including directors) consist of:

	Group 2015 £	Group 2014 £
Wages and salaries	7,784,939	6,071,080
Social security costs	776,659	614,092
Other pension costs	166,492	115,825
	<u>8,728,090</u>	<u>6,800,997</u>

# Mind Gym Limited

## Notes forming part of the financial statements for the year ended 31 March 2015 (continued)

### 4 Employees (continued)

The average number of employees (including directors) during the year was as follows:

	Group 2015 Number	Group 2014 Number
Sales and Administration	155	108
Management	15	15
	<u>170</u>	<u>123</u>

### 5 Directors' remuneration

	2015 £	2014 £
Directors' emoluments	412,557	450,341
Company contributions to money purchase pension schemes	25,986	18,000
Amounts paid to third parties in respect of directors' services	12,000	-
	<u>450,543</u>	<u>468,341</u>

There were 2 directors in the group's defined contribution pension scheme during the year (2014 - 2).

The total amount payable to the highest paid director in respect of emoluments was £210,127 (2014 - £248,124). Company pension contributions of £8,000 (2014 - £8,000) were made to a money purchase scheme on their behalf.

### 6 Interest payable and similar charges

	2015 £	2014 £
Interest payable on bank loans	12,814	19,476
	<u>12,814</u>	<u>19,476</u>

### 7 Profit for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group profit for the year includes a profit after tax of £821,758 (2014 - £567,133) which is dealt with in the financial statements of the parent company.

# Mind Gym Limited

Notes forming part of the financial statements  
for the year ended 31 March 2015 (continued)

## 8 Taxation on profit on ordinary activities

	2015 £	2014 £
<i>UK Corporation tax</i>		
Current tax on profits for the year	69,501	-
Adjustment in respect of previous periods	6,544	-
	<u>76,045</u>	<u>-</u>
<i>Foreign tax</i>		
Current tax on profits for the year	129,877	76,940
Adjustment in respect of previous periods	53,427	168,795
	<u>183,304</u>	<u>245,735</u>
Total current tax	259,349	245,735
<i>Deferred tax</i>		
Origination and reversal of timing differences	87,363	5,783
	<u>87,363</u>	<u>5,783</u>
Taxation on profit on ordinary activities	<u>346,712</u>	<u>251,518</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>1,509,108</u>	<u>805,864</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21% (2014 - 23%)	316,913	185,349
Effect of:		
Expenses not deductible for tax purposes	10,319	9,363
Depreciation for period in excess of capital allowances	4,656	16,484
Foreign tax adjustments	-	29,545
Adjustment to tax charge in respect of previous periods	59,971	168,795
Utilisation of brought forward tax losses	(128,920)	(138,975)
Overseas profits taxed at a higher rate	11,937	(22,105)
Other tax adjustment	(15,527)	(2,721)
	<u>259,349</u>	<u>245,735</u>
Current tax charge for the year	<u>259,349</u>	<u>245,735</u>

# Mind Gym Limited

## Notes forming part of the financial statements for the year ended 31 March 2015 (continued)

### 8 Taxation on profit on ordinary activities (continued)

The Company had estimated trading losses of £530,000 available in the prior year to carry forward against future trading profits, subject to agreement with HM Revenue and Customs. These losses have been utilised in the current year.

### 9 Dividends

	2015 £	2014 £
Ordinary F shares		
Interim paid of 423.7p (2014 - 84.7p) per share	250,000	50,000
Ordinary G shares		
Interim paid of 169.5p (2014 - 84.7p) per share	100,000	50,000
	<u>350,000</u>	<u>100,000</u>

### 10 Intangible fixed assets

#### Group and company

	Development costs £	Trademarks £	Total £
<i>Cost</i>			
At 1 April 2014	1,023,557	63,370	1,086,927
Additions	251,956	-	251,956
Disposals	(337,232)	-	(337,232)
	<u>938,281</u>	<u>63,370</u>	<u>1,001,651</u>
At 31 March 2015			
<i>Amortisation</i>			
At 1 April 2014	836,238	63,370	899,608
Provided for the year	201,618	-	201,618
Disposals	(337,232)	-	(337,232)
	<u>700,624</u>	<u>63,370</u>	<u>763,994</u>
At 31 March 2015			
<i>Net book value</i>			
At 31 March 2015	<u>237,657</u>	<u>-</u>	<u>237,657</u>
At 31 March 2014	<u>187,319</u>	<u>-</u>	<u>187,319</u>

# Mind Gym Limited

Notes forming part of the financial statements  
for the year ended 31 March 2015 (*continued*)

## 11 Tangible fixed assets

### Group

	Leasehold land and buildings £	Fixtures, fittings and equipment £	Total £
<i>Cost</i>			
At 1 April 2014	231,191	635,361	866,552
Additions	-	73,854	73,854
Exchange adjustments	1,140	3,430	4,570
	<hr/>	<hr/>	<hr/>
At 31 March 2015	<b>232,331</b>	<b>712,645</b>	<b>944,976</b>
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 April 2014	75,282	522,559	597,841
Provided for the year	54,476	114,019	168,495
Exchange adjustments	1,141	1,655	2,796
	<hr/>	<hr/>	<hr/>
At 31 March 2015	<b>130,899</b>	<b>638,233</b>	<b>769,132</b>
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 March 2015	<b>101,432</b>	<b>74,412</b>	<b>175,844</b>
	<hr/>	<hr/>	<hr/>
At 31 March 2014	155,909	112,802	268,711
	<hr/>	<hr/>	<hr/>

# Mind Gym Limited

Notes forming part of the financial statements  
for the year ended 31 March 2015 *(continued)*

## 11 Tangible fixed assets *(continued)*

### Company

	Leasehold land and buildings £	Fixtures fittings and equipment £	Total £
<i>Cost</i>			
At 1 April 2014	226,976	539,977	766,953
Additions	-	51,398	51,398
	<hr/>	<hr/>	<hr/>
At 31 March 2015	<b>226,976</b>	<b>591,375</b>	<b>818,351</b>
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 April 2014	71,069	441,818	512,887
Provided for the year	54,476	99,622	154,098
	<hr/>	<hr/>	<hr/>
At 31 March 2015	<b>125,545</b>	<b>541,440</b>	<b>666,985</b>
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 March 2015	<b>101,431</b>	<b>49,935</b>	<b>151,366</b>
	<hr/>	<hr/>	<hr/>
At 31 March 2014	155,907	98,159	254,066
	<hr/>	<hr/>	<hr/>

# Mind Gym Limited

Notes forming part of the financial statements  
for the year ended 31 March 2015 (*continued*)

## 12 Fixed asset investments

### Company

	Group undertakings £
Cost	
At 1 April 2014 and 31 March 2015	59,097

### Subsidiary undertakings

The undertakings in which the company's interest at the year end is 20% or more are as follows:

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held
<i>Subsidiary undertakings</i>			
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 nature of all subsidiaries' business' is the provision of management and development training, and related services.

On 7 October 2015, the Company incorporated a new wholly owned subsidiary, Mind Gym<sup>+</sup> (Canada) Inc.

## 13 Stocks

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Finished goods	263,209	102,908	154,283	80,041

# Mind Gym Limited

Notes forming part of the financial statements  
for the year ended 31 March 2015 (continued)

## 14 Debtors

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	2,951,439	2,455,637	1,790,184	1,031,140
Amounts owed by group undertakings	-	-	854,720	916,846
Corporation tax recoverable	35,619	184,070	-	103,941
Other debtors	212,719	192,586	39,550	67,874
Prepayments and accrued income	1,605,674	1,108,568	778,827	546,695
Deferred taxation	35,346	122,709	35,346	122,709
	<u>4,840,797</u>	<u>4,063,570</u>	<u>3,498,627</u>	<u>2,789,205</u>

All amounts shown under debtors fall due for payment within one year.

	Group Deferred taxation £	Company Deferred taxation £
At 1 April 2014	122,709	122,709
Credited to profit and loss account	35,346	35,346
Utilised in year	(122,709)	(122,709)
	<u>35,346</u>	<u>35,346</u>
At 31 March 2015	<u>35,346</u>	<u>35,346</u>

### Deferred taxation

	Group 2015 £	Group 2014 £
The amount of deferred tax provided for is as follows:		
Decelerated capital allowances	29,051	13,492
Deferred tax asset on trading losses	-	109,217
Other short term timing differences	6,295	-
	<u>35,346</u>	<u>122,709</u>

# Mind Gym Limited

Notes forming part of the financial statements  
for the year ended 31 March 2015 (continued)

## 15 Creditors: amounts falling due within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Bank loans (secured)	68,496	75,306	68,496	75,306
Trade creditors	1,109,211	1,107,272	587,893	670,261
Amounts owed to group undertakings	-	-	213,414	95,299
Corporation tax	32,860	-	49,200	-
Other taxation and social security	462,427	217,390	462,347	215,446
Other creditors	62,893	61,076	59,822	54,332
Accruals and deferred income	3,100,033	2,255,372	1,734,674	1,386,299
	<u>4,835,920</u>	<u>3,716,416</u>	<u>3,175,846</u>	<u>2,496,943</u>

## 16 Creditors: amounts falling due after more than one year

	Group and company 2015 £	Group and company 2014 £
Bank loans (secured)	135,007	190,982
Maturity of debt		
Group and Company	Loans 2015 £	Loans 2014 £
In one year or less, or on demand	68,496	75,306
In more than one year but not more than two years	68,496	75,306
In more than two years but not more than five years	66,511	115,676
	<u>135,007</u>	<u>190,982</u>

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

## 17 Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund. Contributions payable by the group for the year amounted to £166,492 (2014 - £115,825). Contributions totalling £31,475 (2014 - £16,490) were payable to the fund at the year end and are included in other creditors.

# Mind Gym Limited

## Notes forming part of the financial statements for the year ended 31 March 2015 (continued)

### 18 Share-based payments

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.

	2015 Weighted average exercise price (pence)	2015 Number	2014 Weighted average exercise price (pence)	2014 Number
Outstanding at the beginning of the year	0.1403	1,612,306	0.1403	1,280,000
Granted during the year	-	-	0.0001	332,306
Outstanding at the end of the year	0.1403	1,612,306	0.1403	1,612,306

No options were exercisable at the year end.

The share-based remuneration expense (note 3) comprises:

	2015 £	2014 £
Equity-settled schemes	12,367	12,367

The group did not enter into any share-based payment transactions with parties other than employees during the current or prior year.

### 19 Share capital

	2015 £	2014 £
<i>Allotted, called up and fully paid</i>		
8,960,000 Ordinary shares of 0.01p each	896	896
6,710,000 A Ordinary shares of 0.01p each	671	671
970,000 B Ordinary shares of 0.01p each	97	97
100,000 D Ordinary shares of 0.01p each	10	10
590,000 F Ordinary shares of 0.01p each	59	59
590,000 G Ordinary shares of 0.01p each	59	59
	896	896

All classes of share rank pari pasu.

# Mind Gym Limited

Notes forming part of the financial statements  
for the year ended 31 March 2015 (*continued*)

## 20 Reserves

### Group

	Capital redemption reserve £	Other reserves £	Profit and loss account £
At 1 April 2014	104	74,058	1,715,833
Translation differences on foreign currency net investments in subsidiary undertakings	-	-	53,741
Profit for the year	-	-	1,162,396
Dividends	-	-	(350,000)
Share option charge	-	12,367	-
	<hr/>	<hr/>	<hr/>
At 31 March 2015	<b>104</b>	<b>86,425</b>	<b>2,581,970</b>
	<hr/>	<hr/>	<hr/>

### Company

	Capital redemption reserve £	Other reserves £	Profit and loss account £
At 1 April 2014	104	74,058	999,907
Profit for the year	-	-	821,758
Dividends	-	-	(350,000)
Share option charge	-	12,367	-
	<hr/>	<hr/>	<hr/>
At 31 March 2015	<b>104</b>	<b>86,425</b>	<b>1,471,665</b>
	<hr/>	<hr/>	<hr/>

# Mind Gym Limited

Notes forming part of the financial statements  
for the year ended 31 March 2015 (continued)

## 21 Reconciliation of movements in shareholders' funds

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Profit for the year	1,162,396	554,346	821,758	567,133
Dividends	(350,000)	(100,000)	(350,000)	(100,000)
	<u>812,396</u>	<u>454,346</u>	<u>471,758</u>	<u>467,133</u>
Other net recognised gains and losses relating to the year				
- Exchange translation differences on consolidation	53,741	(33,950)	-	-
Movement in share option reserve	12,367	12,367	12,367	12,367
	<u>878,504</u>	<u>432,763</u>	<u>484,125</u>	<u>479,500</u>
Net additions to shareholders' funds				
Opening shareholders' funds	1,790,891	1,358,128	1,074,965	595,465
	<u>2,669,395</u>	<u>1,790,891</u>	<u>1,559,090</u>	<u>1,074,965</u>
Closing shareholders' funds				

## 22 Commitments under operating leases

The group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2015 £	Other 2015 £	Land and buildings 2014 £	Other 2014 £
Operating leases which expire:				
Within one year	-	4,203	3,288	-
In two to five years	377,889	20,133	377,889	30,730
	<u>377,889</u>	<u>24,336</u>	<u>381,177</u>	<u>30,730</u>

The company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2015 £	Other 2015 £	Land and buildings 2014 £	Other 2014 £
Operating leases which expire:				
In two to five years	330,000	13,068	330,000	27,083
	<u>330,000</u>	<u>13,068</u>	<u>330,000</u>	<u>27,083</u>

# Mind Gym Limited

## Notes forming part of the financial statements for the year ended 31 March 2015 (continued)

### 23 Related party disclosures

#### *Controlling parties*

The company is controlled by O Black by virtue of his shareholding.

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with its wholly owned subsidiaries.

#### *Group and Company*

During the year the company paid dividends to J Black and J Bailey as holders of F and G shares, respectively, as per note 9.

### 24 Contingent liabilities

The Company has received tax determinations from HMRC for approximately £260,000 relating to Company share arrangements. These determinations are in the process of being appealed and the directors, on the basis of external advice received, do not believe that the Company has a liability. Should any tax ultimately be found to be due, the company is entitled to recover some or all of this from third parties.

### 25 Reconciliation of operating profit to net cash inflow from operating activities

	2015 £	2014 £
Operating profit	1,502,340	822,656
Amortisation of intangible fixed assets	201,618	349,157
Depreciation of tangible fixed assets	168,495	215,853
Increase in stocks	(160,301)	(66,207)
Increase in debtors	(1,081,485)	(1,832,326)
Increase in creditors	1,093,454	1,787,866
Other recognised gains and losses	51,967	(40,770)
Transfer to share based reserve	12,367	12,367
	<hr/>	<hr/>
Net cash inflow from operating activities	1,788,455	1,248,596
	<hr/>	<hr/>

# Mind Gym Limited

Notes forming part of the financial statements  
for the year ended 31 March 2015 *(continued)*

## 26 Reconciliation of net cash flow to movement in net funds

	2015 £	2014 £
Increase in cash	1,047,034	489,111
Cash inflow from changes in debt	62,785	62,784
Movement in net funds	1,109,819	551,895
Opening net funds	809,493	257,598
Closing net funds	1,919,312	809,493

## 27 Analysis of net funds

	At 1 April 2014 £	Cash flow £	At 31 March 2015 £
Cash at bank and in hand	1,075,781	1,047,034	2,122,815
Debt due within one year	(75,306)	6,810	(68,496)
Debt due after one year	(190,982)	55,975	(135,007)
Total	809,493	1,109,819	1,919,312