

BPP Professional Education Limited

Report and Financial Statements

31 August 2013

Company No 4546335

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COMPANIES HOUSE

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

C Lygo
W Etchell

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

BANKERS

Barclays Bank PLC
27 Soho Square
London W1D 3QR

REGISTERED OFFICE

BPP House
142-144 Uxbridge Road
London W12 8AA

BPP Professional Education Limited

Directors' report

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

Results and dividends

The trading results for the year ended 31 August 2013, and the Company's financial position at the end of the year, are shown in the attached financial statements

The profit and loss account for the year shows a loss after tax of £8,151,000 (2012 £12,151,000 loss) The directors have not recommended a dividend (2012 £nil)

Principal activity of the business

The principal activity of the Company is the provision of accountancy training through classroom and online courses

Financial review

Turnover for the year was £44,975,000 (2012 £45,848,000) and operating loss was £8,653,000 (2012 £14,325,000) with an operating loss margin of 19.1% (2012 31.2%) The decrease in operating loss is due to cost savings in relation to the restructure of property and staff in the current year

Net assets have decreased by £8,151,000 (2012 £12,151,000) due to the loss in the year

Analysis of key performance indicators

The key performance indicators have been identified as turnover and operating margin These are discussed under the financial review above

Key risks and uncertainties

During the year, the Company continued to improve its risk management processes and the systems of internal control Outlined below is a description of the principal risk factors that management considers affect the Company's business Not all the factors are within management's control and other factors besides those listed below could also affect the Company

Business Systems and Infrastructure

The risk encompasses the potential for business infrastructure – including management information, customer and sales management systems and the network infrastructure – not being capable of supporting the growth of the business The pattern of trading has significant areas of peak demand for our systems In particular, enrolment for the examinations businesses is very concentrated around the twice-yearly examination results The Company continues to make significant investments in new systems within Professional Education although different business units operate on disparate systems

Key risks and uncertainties (continued)

Economy and Competition

The continuing turmoil in the global and UK economies has impacted on our business and continues to be a risk for the future. We are operating in a challenging environment, with low graduate recruitment levels impacting on the number of graduates entering into a professional qualification, the effect of which could be felt for a number of years. The Company seeks to address these risks by maintaining its high standards of training provision in order to be the trainer of choice for our customers, closely monitoring the economic outlook and by having flexible resources available so it is able to respond to changes in economic conditions.

We continue to invest in our educational products to ensure our brand promises are delivered. As a people business, we remain focused on the Company's ability to attract, retain and develop a high level of capability within the management team and staff.

Compliance and Regulatory Risk

The Company operates in markets where many of our competitors are professional education providers or Colleges of Higher Education. Any change in the existing tax regimes or government education policy could put us at a competitive disadvantage, and reduce our ability to compete on a level playing field.

Examinations set by External Bodies

A large part of our business is teaching for exams, or to a syllabus set by external professional bodies. A change in the way in which subjects are examined, or a reduction in the size of the syllabus, could have a detrimental impact on our business. The Company mitigates this by maintaining a close working relationship with the examination bodies and is aware of significant changes sufficiently in advance to take appropriate measures.

Reputation Risk

Our brand is one of the most successful and best established in the European Training market and represents a key element of the Company's overall marketing and positioning. In the event that our brand or reputation is damaged, this could impact on the marketing of the Company's products and services. To prevent this we have many quality assurance mechanisms to ensure that our teaching and course materials remain of the highest standard.

Dependency on buildings

The loss of access to one of the larger key teaching sites for more than a short period could disrupt teaching for a significant number of students whilst alternative venues are secured. Appropriate insurance cover is in place to mitigate the financial impact of disruption to the business.

Market Risk

The Company has in place an on-going process for identifying, evaluation and managing market risks that the Company may be exposed to. The process is regularly reviewed by the Board.

Liquidity and Cash Flow Risks

The Company manages its cash flow within the framework of the BPP Group treasury function. Focus is given to managing and collecting outstanding debt and maintaining operating cash flows. The Group policy is to ensure that the Group has adequate committed bank facilities available and operates within its covenants, maintaining a balance between continuity of funding and flexibility through the use of its own resources, overdrafts, revolving credit facilities and leases.

BPP Professional Education Limited

Directors' report (continued)

Going Concern

After making enquiries the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the Company financial statements (see note 1 for further details)

Outlook

The current outlook for BPP Professional Education Limited is positive. We continue to invest in and launch new products to help strengthen BPP's position in the market. However, the current market conditions are expected to remain challenging over the next few years as the flow through of students for the main qualifications taught by the Company is affected by the current lower levels of recruitment and training in the marketplace.

Events since the balance sheet date

There have been no significant post balance sheet events.

Directors

The directors who served during the year or were subsequently appointed are set out below:

C Lygo
W Etchell

Employment policies

The Company recognises that people are its greatest asset and employment policies are directed at creating a workplace that will attract, develop, motivate and reward employees of high calibre, taking into account the specific requirements of the business. Key features of Group employment policies and practices are:

Openness

The Company provides a high degree of openness and transparency on its activities and performance through information and communication with employees. An employee feedback questionnaire is collated annually from all employees and the results used to help develop policy and procedures.

Performance and merit

Employees agree personal objectives and performance is monitored by appraisals. A structured approach is adopted to promotions and external recruitment that recognises the capability of individuals and ensures that the most suitable person is selected for positions. Employee salaries are benchmarked, where feasible, against market data for equivalent roles in other businesses.

Flexible working

The Company encourages family friendly working practices such as flexible working hours and recognises that experienced employees returning to work following maternity, paternity or other career breaks are an asset. The Company operates a salary sacrifice scheme that allows employees to exchange salary for additional holidays and childcare vouchers.

Equality of opportunity

Company policy is that no person receives more or less favourable treatment on the grounds of gender, age, race, colour, nationality, ethnic or national origin, marital status, part-time status, sexual orientation, home responsibility, disability, or political or religious belief. The Human Resources function monitors and reports on compliance with the policy to develop practices and procedures that ensure equality of opportunity in the recruitment, selection and promotion of employees. Grievance and disciplinary procedures protect employees and students from discriminatory behaviour based on racist, sexist and other prejudiced attitudes. The Company recognises the importance in promoting its equal opportunity policy through the whole recruitment process. It focuses on applying non-discriminatory treatment to all potential and actual applicants and to comply with the relevant legislative requirements.

BPP Professional Education Limited

Directors' report (continued)

Employment policies (continued)

Disability

BPP Company practice is to provide a suitable environment for working and studying for people with disabilities and to support and help employees who become disabled during their working life

Training and development

Employees have the opportunity to attend appropriate courses from the wide range of courses provided by the Group as well as externally

Payment Policy for Suppliers

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

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information. The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Re-appointment of the auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

By order of the Board



Carl Lygo

Director

Date 29 November 2013

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 profit or loss of the Company for that year. 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Independent auditor's report to the members of BPP Professional Education Limited

We have audited the financial statements of BPP Professional Education Limited for the year ended 31 August 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 21. 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

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 Company's affairs as at 31 August 2013 and of its 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.

Independent auditor's report to the members of BPP Professional Education Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



David Halstead FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
Date 29 November 2013

Profit and loss account

for the year ended 31 August 2013

		Year ended 31 August 2013 £'000	Year ended 31 August 2012 £'000
TURNOVER	Notes		
Cost of sales	2	44,975 (25,679)	45 848 (26,631)
GROSS PROFIT		19,296	19,217
Administrative expenses		(27,949)	(33,542)
OPERATING LOSS	3	(8,653)	(14,325)
Interest income	5	28	93
Interest cost	6	(104)	(104)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(8,729)	(14,336)
Tax on loss on ordinary activities	8	578	2,185
LOSS FOR THE YEAR		<u>(8,151)</u>	<u>(12,151)</u>

All of the activities of the Company are from continuing operations

Statement of total recognised gains and losses

for the year ended 31 August 2013

There were no recognised gains or losses other than the loss for the year of £8,151,000 (2012 £12,151,000)

Balance sheet

at 31 August 2013

Company No 4546335

		31 August 2013	31 August 2012
		£'000	£'000
	Notes		
FIXED ASSETS			
Tangible fixed assets	9	1,683	2,251
Intangible fixed assets	10	38,252	41,121
		<u>39,935</u>	<u>43,372</u>
CURRENT ASSETS			
Debtors amounts falling due within one year	11	9,966	17,495
Debtors amounts falling due after one year	12	4,588	4,010
Cash at bank and in hand		910	3
		<u>15,464</u>	<u>21,508</u>
CREDITORS amounts falling due within one year	13	<u>(33,036)</u>	<u>(34,304)</u>
NET CURRENT LIABILITIES		<u>(17,572)</u>	<u>(12,796)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>22,363</u>	<u>30,576</u>
Creditors amounts falling due after more than one year	14	(147)	(119)
Provisions for liabilities	15	(457)	(547)
NET ASSETS		<u><u>21,759</u></u>	<u><u>29,910</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	646	646
Share premium account	18	60,454	60,454
Profit and loss account	18	(39,341)	(31,190)
EQUITY SHAREHOLDERS' FUNDS	18	<u><u>21,759</u></u>	<u><u>29,910</u></u>

The financial statements of BPP Professional Education Limited were approved by the board of directors and authorised for issue on 29 November 2013

Signed on behalf of the Board of Directors



William Etchell
Director

Date 29 November 2013

Notes to the financial statements

For the year ended 31 August 2013

Accounting policies

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 August 2012

Basis of preparation

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

Tangible fixed assets

All fixed assets are initially recorded at cost

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less its estimated residual value, of each asset evenly over its useful economic life

Leasehold Property	–	over the duration of the lease
Fixtures and fittings	–	over five years
Office equipment	–	over three years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit and loss account.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the term of the lease.

Goodwill

Positive goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other years if events or changes in circumstances indicate that the carrying value may not be recoverable.

Revenue recognition

Revenue represents the invoiced amount of goods and services provided. Revenue is recognised as follows:

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied: the revenue can be measured reliably, it is probable that the economic benefits will flow to the entity, the stage of completion at the balance sheet date can be measured reliably, and the costs relating to the transaction can be measured reliably.

Deferred revenue represents amounts invoiced for which the service will be provided during the next financial year.

Notes to the financial statements

For the year ended 31 August 2013

1. Accounting policies (continued)

Current taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the tax rates and laws that are enacted or substantively enacted by the balance sheet date

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Provisions for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of future economic benefits will be required to settle the obligation

Statement of cash flows

In accordance with FRS 1 (revised) the Company has not prepared a statement of cash flows as its ultimate parent undertaking, Apollo Group Inc, produces publicly available consolidated financial statements

Dilapidation provision

Provision for dilapidations represents the costs that will be incurred on the expiry of the lease term. Accordingly an asset is recognised which is amortised over the duration of the lease. Dilapidation costs are provided at the present value of the expenditure expected to settle the obligation. Estimated future costs of dilapidation are reviewed regularly and adjusted as appropriate for new circumstances. Changes in estimates are capitalised or reversed against the lease hold costs. Estimates are discounted at a pre-tax rate that reflects current market assessment of the time value of money.

Going Concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out on pages 2 and 3 in the Directors' Report.

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its UK parent BPP Holdings Ltd and fellow subsidiaries.

BPP Holdings Ltd has committed that it will loan as is necessary to this entity to pay their debts as they become due for a period up to 31 March 2015. Having assessed the responses of the directors of BPP Holdings Ltd, the directors of the Company have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of BPP Professional Education Limited to continue as a going concern.

On the basis of its assessment of the Company's financial position and of the enquiries made of the directors of BPP Holdings Ltd, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for at least 12 months from the date of this report. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes to the financial statements

For the year ended 31 August 2013

1. Accounting policies (continued)

Pension policy

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company and the annual contributions payable are charged to the profit and loss account.

2. Turnover

Turnover represents the invoiced amount of goods and services provided during the year, net of VAT. Amounts invoiced but unearned at the year end are treated as deferred revenue.

An analysis of turnover is given below:

	<i>Year ended 31 August 2013</i>	<i>Year ended 31 August 2012</i>
	<i>£'000</i>	<i>£'000</i>
United Kingdom	44,802	45,667
Europe	106	96
Rest of the world	67	85
	<u>44,975</u>	<u>45,848</u>

3. Operating loss

Operating loss is stated after charging:

	<i>Year ended 31 August 2013</i>	<i>Year ended 31 August 2012</i>
	<i>£'000</i>	<i>£'000</i>
Depreciation	741	747
Amortisation of intangibles	2,869	2,869
Operating lease rentals – leasehold properties	1,164	2,100
Loss on disposal of tangible fixed asset	-	1
Exceptional costs	631	-
Fees payable to the Company's auditor for the audit of the Company's annual accounts	65	106
	<u></u>	<u></u>

Exceptional costs noted above relate to redundancy cost incurred within the year (2012: nil)

Notes to the financial statements

For the year ended 31 August 2013

4. Directors' emoluments

The directors are executives of the holding company, BPP Holdings Ltd, and are also directors of BPP University Ltd, BPP Learning Media Ltd, BPP Professional Education Ltd, BPP Services Ltd and BPP International Ltd

The directors received total remuneration of £749,000 from BPP Holdings Ltd during the year, but it is not practicable to allocate this between their services as executives of BPP Holdings Ltd and their services as directors of BPP University Ltd, BPP Learning Media Ltd, BPP Professional Education Ltd, BPP Services Ltd and BPP International Ltd

In addition, one of the directors is accruing benefits under the BPP Holdings Ltd group pension scheme, which is a defined contribution scheme, in respect of their services to the four group companies

5. Interest Income

	<i>Year ended 31 August 2013</i>	<i>Year ended 31 August 2012</i>
	<i>£'000</i>	<i>£'000</i>
Interest - internal	28	93

6. Interest Cost

	<i>Year ended 31 August 2013</i>	<i>Year ended 31 August 2012</i>
	<i>£'000</i>	<i>£'000</i>
Interest – external	-	36
Interest – internal	58	5
Unwinding of discount on dilapidation provision	46	63
	104	104

Notes to the financial statements

For the year ended 31 August 2013

7. Staff costs

Staff costs during the year amounted to

	<i>Year ended 31 August 2013</i>	<i>Year ended 31 August 2012</i>
	<i>£'000</i>	<i>£'000</i>
Wages and salaries	17,028	15,721
Social security costs	1,859	1,843
Other Pension costs	369	169
	<u>19,256</u>	<u>17,733</u>

The Company provides a defined contribution pension plan to its employees. The pension plan is administered by an external pension provider. The Company is required to contribute a specified percentage of payroll costs to the scheme to fund the benefit and has no other obligation under the scheme other than to make the required contributions.

The monthly average number of employees during the year was

	<i>Year ended 31 August 2013</i>	<i>Year ended 31 August 2012</i>
	<i>No</i>	<i>No</i>
Tutors	234	225
Materials and production	-	2
Administration and services	87	81
	<u>321</u>	<u>308</u>

Notes to the financial statements

For the year ended 31 August 2013

8. Tax on loss on ordinary activities

(a) *Analysis of credit in the year*

	Year ended 31 August 2013 £'000	Year ended 31 August 2012 £'000
UK corporation tax		
Group relief receivable	-	(56)
Tax overprovided in prior years	-	-
	<u>-</u>	<u>(56)</u>
Deferred tax (note 16)		
Origination and reversal of timing differences – current-year	(1,322)	(2,718)
Origination and reversal of timing differences – prior-year charge	322	222
Decrease in tax rate	422	367
	<u>(578)</u>	<u>(2,129)</u>
	<u>(578)</u>	<u>(2,185)</u>

Notes to the financial statements

For the year ended 31 August 2013

8. Tax on loss on ordinary activities (continued)

(b) Factors affecting current tax credit for year

	<i>Year ended 31 August 2013 £'000</i>	<i>Year ended 31 August 2012 £'000</i>
Loss on ordinary activities before tax	(8,729)	(14,336)
Loss on ordinary activities multiplied by average rate of corporation tax in the UK of 23.58% (2012 - 25.17%)	(2,058)	(3,608)
Effect of		
Disallowed expenses	979	888
Capital allowances in arrears of depreciation	127	143
Adjustments in respect of prior years	-	(56)
Losses carried forward	954	2,634
Other timing differences	(2)	(57)
Current tax credit for year	-	(56)

The Finance Act 2013, which provides for a reduction in the main rate of UK Corporation Tax from 24% to 23%, effective 1 April 2013, and a further reduction to 21%, effective 1 April 2014, was substantively enacted on 17 July 2013. The future reduced rate has been reflected in the calculation of deferred tax.

The government has also announced that it intends to introduce a further 1% reduction in the main Corporation Tax rate to 20%, applicable from 1 April 2015. This further reduction has been substantively enacted at the balance sheet date and is therefore reflected in these financial statements.

Notes to the financial statements

For the year ended 31 August 2013

9. Tangible fixed assets

	Leasehold property £'000	Fixtures and fittings £'000	Office equipment £'000	Capital work in progress £'000	Total £'000
Cost					
At 1 September 2012	4,798	1,916	3,229	-	9,943
Additions	-	44	18	111	173
Disposals	(389)	(293)	(534)	-	(1,216)
At 31 August 2013	4,409	1,667	2,713	111	8,900
Depreciation					
At 1 September 2012	2,848	1,685	3,159	-	7,692
Provided during the year	549	136	56	-	741
Disposals	(389)	(293)	(534)	-	(1,216)
At 31 August 2013	3,008	1,528	2,681	-	7,217
Net book value					
At 31 August 2013	1,401	139	32	111	1,683
At 31 August 2012	1,950	231	70	-	2,251

10. Intangible fixed assets

	Goodwill £'000
Cost	
As at 1 September 2012	57,378
At 31 August 2013	57,378
Amortisation	
As at 1 September 2012	(16,257)
Amortisation during the year	(2,869)
At 31 August 2013	(19,126)
Net book value at 31 August 2013	38,252
Net book value at 31 August 2012	41,121

Notes to the financial statements

For the year ended 31 August 2013

11. Debtors: amounts falling due within one year

	31 August 2013	31 August 2012
	£'000	£'000
Trade debtors	8,926	9,035
Amounts due from parent undertakings	-	3,938
Amounts due from fellow subsidiaries	166	2,724
Other debtors	41	266
Prepayments and accrued income	833	848
Inter-Company in respect of Group tax relief	-	684
	<u>9,966</u>	<u>17,495</u>

12. Debtors: amounts falling due after one year

	31 August 2013	31 August 2012
	£'000	£'000
Deferred tax (see note 16)	4,588	4,010
	<u>4,588</u>	<u>4,010</u>

Notes to the financial statements

For the year ended 31 August 2013

13. Creditors: amounts falling due within one year

	31 August 2013	31 August 2012
	£'000	£'000
Trade creditors	139	308
Amounts owed to parent undertaking	10,833	-
Amounts owed to fellow subsidiaries	5,955	6,815
Other creditors	3,539	4,078
Rent free provision	21	26
Accruals	1,534	9,553
Deferred revenue	7,654	7,730
Other taxes	1,927	1,734
External interest	232	232
Corporation tax	1,202	1,202
Bank overdraft	-	2,626
	<u>33,036</u>	<u>34,304</u>

14. Creditors: amounts falling due after more than one year

	31 August 2013	31 August 2012
	£'000	£'000
Rent-free provision	72	119
Accruals	75	-
	<u>147</u>	<u>119</u>

15. Provision for liabilities

	Onerous lease provision	Dilapidation provision	Total
	£'000	£'000	£'000
At 1 September 2012	136	411	547
Utilised in the year	(136)	-	(136)
Unwinding of discount on dilapidations provision	-	46	46
	<u>-</u>	<u>46</u>	<u>46</u>
At 31 August 2013	-	457	457

Notes to the financial statements

For the year ended 31 August 2013

15. Provision for liabilities (continued)

Onerous lease provision

The onerous lease provision above relates to expected costs for onerous lease commitments on vacant property. The lease for the property has now ended.

Dilapidation provision

The provision for dilapidation costs relates to costs that are expected to be incurred when leases expire between 2012 and 2019. This is provided at the present value of the expenditure expected to settle the obligation.

16. Deferred tax

	2013	2012
	£'000	£'000
At 1 September	4,010	1,881
Arising in the year	578	2,129
	<hr/>	<hr/>
At 31 August	4,588	4,010
	<hr/>	<hr/>

The amounts recognised in the financial statements are as follows

	31 August 2013	31 August 2012
	£'000	£'000
Capital allowances in arrears of depreciation	731	717
Other timing differences	262	1,843
Losses carried forward	3,595	1,450
	<hr/>	<hr/>
Deferred tax asset	4,588	4,010
	<hr/>	<hr/>

Notes to the financial statements

For the year ended 31 August 2013

17. Share capital

	31 August 2013	31 August 2012
	£	£
Allotted, called up and fully paid		
1 ordinary share of £1	1	1
64,626,081 irredeemable preference shares of £0.01 each	646,261	646,261
	<u> </u>	<u> </u>

The preference shares are irredeemable and carry no voting rights. The preference shares carry the right to a cumulative floating rate dividend, of LIBOR + 4.36% on the issue price, payable annually solely at the discretion of the directors.

On a winding up of the Company, the preference share holders have a right to receive, in preference to payments to the ordinary shareholders, the nominal value paid up on the irredeemable shares plus any accrued dividend. The preference shareholders will also receive £0.99 per each irredeemable preference share held at the date of winding up.

18. Reconciliation of shareholders' funds and movement on reserves

	Share capital	Share premium account	Profit and loss account	Total
	£'000	£'000	£'000	£'000
At 1 September 2012	646	60,454	(31,190)	29,910
Loss for the year	—	—	(8,151)	(8,151)
At 31 August 2013	<u>646</u>	<u>60,454</u>	<u>(39,341)</u>	<u>21,759</u>

19. Other financial commitments

At the end of the year the Company had the following annual commitments under non-cancellable operating leases in respect of leasehold property:

	31 August 2013	31 August 2012
	£'000	£'000
Operating leases which expire		
Within one year	108	—
Within two to five years	336	116
In over five years	121	449
	<u> </u>	<u> </u>

Notes to the financial statements

For the year ended 31 August 2013

20. Related party transactions

The Company has taken advantage of the exemption allowed in FRS 8 and has not disclosed details of related party transactions with entities whose 100% voting rights are controlled within the Group

21. Ultimate Parent undertaking and controlling party

Apollo Group Inc is the Company's ultimate parent Company where the results of this Company are consolidated BPP Holdings Ltd is the intermediate parent of the Company Apollo Group Inc is the smallest and the largest group where the results of this Company are consolidated Copies of Apollo Group Inc 's financial statements can be obtained from 4025 S Riverpoint, Phoenix, AZ 85040