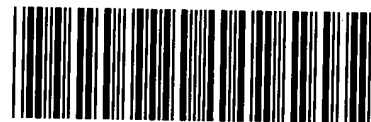


REGISTERED NUMBER: 05181165 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016
FOR
ETHAMES GRADUATE SCHOOL LIMITED**

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COMPANIES HOUSE

Richards Associates Limited
Statutory Auditor
Suite 10
Hawkesyard Hall
Rugeley
Staffordshire
WS15 1PU

ETHAMES GRADUATE SCHOOL LIMITED

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FOR THE YEAR ENDED 31 JULY 2016**

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ETHAMES GRADUATE SCHOOL LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2016**

DIRECTORS:

Mr P K Pula
Mrs R R Rakhi Pula

REGISTERED OFFICE:

412-416 Eastern Avenue
Ilford
Essex
IG2 6NQ

REGISTERED NUMBER:

05181165 (England and Wales)

AUDITOR:

Richards Associates Limited
Statutory Auditor
Suite 10
Hawkesyard Hall
Rugeley
Staffordshire
WS15 1PU

ETHAMES GRADUATE SCHOOL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2016

The directors present their strategic report for the year ended 31 July 2016.

The company continues to operate from a well equipped campus in Gants Hill, East London with up to date equipment, lecture rooms and staff and student facilities.

REVIEW OF BUSINESS

The company currently generates revenue from two key income streams. Firstly, from the provision of one and two year HND courses. This generated around £3.5 million in student fee revenue and related fees for the current year. Secondly, from EThames introduction of students, both international and from the UK/EU, to a number of Universities. This revenue stream generated around £600,000 in the current year.

There have been a number of changes made by the company following the termination of the service level agreement with University of Sunderland including a significant reduction in costs. The company continues to be proactive in ensuring the continued viability and sustainability of the college to include.

- Retaining their educational overnight by the QAA.
- Retaining positive External Examiner/Standards.
- Expecting successful designation of programmes under the 2017/2018 Designate system. The company continues in the HEFCE register of higher education providers.
- Maintaining a successful business relationship with the Universities to which the company introduces students, including seeking new partnerships with Universities to secure future student numbers and therefore revenues.
- Generate demand for places on Designated Courses.
- Identifying demand for additional programmes (such as music related courses, Foundation Degrees, Top-Up degree provision, Apprenticeships and educational offerings to non-traditional learners, which the company can develop)
- Providing a clear alternative to a traditional three-year university programme and offer a progression path for students achieving vocational as well as academic qualifications.
- Identifying and seeking additional funding sources, including from the EU.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties relate to the continuing recruitment of students for the courses on offer now and in the future. Current student levels are around 400 (UK and EU) which achieves a profitable outcome..

The company financial indicators continue to demonstrate a healthy position which reflects the fact that EThames is a viable and sustainable business. The strong management team have ensured that the college successfully meets the increasing regulatory requirement for Alternative Providers.

The company has taken active steps to address possible risks to the business arising from changes in lower than anticipated SNC allocations and continues to expand provision across a range of programme levels and funding sources to diversify and reduce the risk of any one business stream failing to meet its objectives.

The long term strategy remains a focus on quality of academic standards and management to provide an excellent student learning experience.

A recent QAA inspection generated a positive report on the company.

ON BEHALF OF THE BOARD:



Mrs R R Rakhi Pula - Director

3 January 2017

ETHAMES GRADUATE SCHOOL LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2016

The directors present their report with the financial statements of the company for the year ended 31 July 2016.

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of £13.20 per share.

The total distribution of dividends for the year ended 31 July 2016 will be £132,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2015 to the date of this report.

Mr P K Pula
Mrs R R Rakhi Pula

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

KEY PERFORMANCE INDICATORS

Key performance indicators for the year under review include but are not limited to the following:-

Turnover, revenue by income stream, course and student,
Gross margin, profit before tax.
Effective management of student subscriptions including cash flows
Control of Fixed Assets.
Management of delivery of services under the Service Level Agreement with
University of Sunderland.
Management of Funding provision

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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.

ETHAMES GRADUATE SCHOOL LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2016**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, Richards Associates Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mrs R R Rakhi Pula - Director

3 January 2017

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF ETHAMES GRADUATE SCHOOL LIMITED

I have audited the financial statements of Ethames Graduate School Limited for the year ended 31 July 2016 on pages seven to twenty one. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in a Report of the Auditor and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this report, or for the opinions I have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on pages three and four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My 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 me 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, I read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In my opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
ETHAMES GRADUATE SCHOOL LIMITED**

Matters on which I am required to report by exception

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by me; 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
- I have not received all the information and explanations I require for my audit.



Anna Richards (Senior Statutory Auditor)
for and on behalf of Richards Associates Limited
Statutory Auditor
Suite 10
Hawkesyard Hall
Rugeley
Staffordshire
WS15 1PU

3 January 2017

ETHAMES GRADUATE SCHOOL LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2016**

	Notes	31.7.16 £	31.7.15 £
TURNOVER		4,030,813	5,439,680
Cost of sales		818,376	1,586,848
GROSS PROFIT		3,212,437	3,852,832
Administrative expenses		2,292,259	4,588,088
OPERATING PROFIT/(LOSS)	3	920,178	(735,256)
Interest receivable and similar income		-	8
		920,178	(735,248)
Interest payable and similar charges	4	7,684	74
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		912,494	(735,322)
Tax on profit/(loss) on ordinary activities	5	(53,567)	(46,407)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		966,061	(688,915)

The notes form part of these financial statements

ETHAMES GRADUATE SCHOOL LIMITED

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2016**

	Notes	31.7.16 £	31.7.15 £
PROFIT/(LOSS) FOR THE YEAR		966,061	(688,915)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>966,061</u>	<u>(688,915)</u>

The notes form part of these financial statements

BALANCE SHEET
31 JULY 2016

	Notes	31.7.16 £	£	31.7.15 £	£
FIXED ASSETS					
Tangible assets	7		215,680		1,355,451
CURRENT ASSETS					
Debtors	8	2,653,561		2,241,564	
Cash at bank and in hand		614,226		14,802	
		<u>3,267,787</u>		<u>2,256,366</u>	
CREDITORS					
Amounts falling due within one year	9	<u>2,200,595</u>		<u>3,109,439</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>1,067,192</u>		<u>(853,073)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,282,872</u>		<u>502,378</u>
PROVISIONS FOR LIABILITIES	13		<u>42,380</u>		<u>95,947</u>
NET ASSETS			<u><u>1,240,492</u></u>		<u><u>406,431</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		10,000		10,000
Retained earnings	15		<u>1,230,492</u>		<u>396,431</u>
SHAREHOLDERS' FUNDS			<u><u>1,240,492</u></u>		<u><u>406,431</u></u>

The financial statements were approved by the Board of Directors on 3 January 2017 and were signed on its behalf by:



Mrs R R Rakhi Pula - Director

ETHAMES GRADUATE SCHOOL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2016**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 August 2014	10,000	1,121,346	1,131,346
Changes in equity			
Dividends	-	(36,000)	(36,000)
Total comprehensive income	-	(688,915)	(688,915)
Balance at 31 July 2015	<u>10,000</u>	<u>396,431</u>	<u>406,431</u>
Changes in equity			
Dividends	-	(132,000)	(132,000)
Total comprehensive income	-	966,061	966,061
Balance at 31 July 2016	<u><u>10,000</u></u>	<u><u>1,230,492</u></u>	<u><u>1,240,492</u></u>

The notes form part of these financial statements

ETHAMES GRADUATE SCHOOL LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2016**

	Notes	31.7.16 £	31.7.15 £
Cash flows from operating activities			
Cash generated from operations	1	(548,438)	(851,616)
Interest paid		(7,684)	(74)
Tax paid		(22,489)	(152,488)
Net cash from operating activities		<u>(578,611)</u>	<u>(1,004,178)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(26,050)	(6,050)
Sale of tangible fixed assets		1,429,499	-
Interest received		-	8
Net cash from investing activities		<u>1,403,449</u>	<u>(6,042)</u>
Cash flows from financing activities			
New loans in year		(1)	-
Amount introduced by directors		216	173
Amount withdrawn by directors		(173)	(4,731)
Equity dividends paid		(132,000)	(36,000)
Net cash from financing activities		<u>(131,958)</u>	<u>(40,558)</u>
Increase/(decrease) in cash and cash equivalents		<u>692,880</u>	<u>(1,050,778)</u>
Cash and cash equivalents at beginning of year	2	(78,654)	972,124
Cash and cash equivalents at end of year	2	<u><u>614,226</u></u>	<u><u>(78,654)</u></u>

The notes form part of these financial statements

ETHAMES GRADUATE SCHOOL LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2016**

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.7.16	31.7.15
	£	£
Profit/(loss) before taxation	912,494	(735,322)
Depreciation charges	51,650	324,201
Profit on disposal of fixed assets	(315,327)	-
Finance costs	7,684	74
Finance income	-	(8)
	<u>656,501</u>	<u>(411,055)</u>
Increase in trade and other debtors	(411,997)	(1,130,114)
(Decrease)/increase in trade and other creditors	(792,942)	689,553
	<u>(548,438)</u>	<u>(851,616)</u>
Cash generated from operations	<u><u>(548,438)</u></u>	<u><u>(851,616)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 July 2016

	31.7.16	1.8.15
	£	£
Cash and cash equivalents	614,226	14,802
Bank overdrafts	-	(93,456)
	<u>614,226</u>	<u>(78,654)</u>

Year ended 31 July 2015

	31.7.15	1.8.14
	£	£
Cash and cash equivalents	14,802	972,124
Bank overdrafts	(93,456)	-
	<u>(78,654)</u>	<u>972,124</u>

The notes form part of these financial statements

ETHAMES GRADUATE SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents fees receivable, primarily under the service level agreement with the University of Sunderland and also for tuition fees, net of value added tax. Tuition fee income is recognised over the duration of each course which can be up to three years. Fees in respect of future accounting periods are included in deferred income. The fees net of value added tax, represents the amounts receivable in the accounting period.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- Straight line over 8 years
Books	- 20% on reducing balance
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% on reducing balance
Computer Equipment	- 20% on reducing balance

Deferred tax

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

Foreign currencies

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets, liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company, after deducting all liabilities

Going concern

The accounts have been prepared on a going concern basis which the directors believe to be appropriate. In order for the company to continue to trade in the foreseeable future the company enjoys the continued support of its shareholders. This will enable the company to continue in operational existence for the 12 months from the date of approval of these financial statements in the directors opinion.

ETHAMES GRADUATE SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016**

2. STAFF COSTS

	31.7.16	31.7.15
	£	£
Wages and salaries	723,171	983,445
Social security costs	62,605	68,062
Other pension costs	8,641	7,858
	<u>794,417</u>	<u>1,059,365</u>

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

	31.7.16	31.7.15
Tutorial and administration	<u>32</u>	<u>60</u>

3. OPERATING PROFIT/(LOSS)

The operating profit (2015 - operating loss) is stated after charging/(crediting):

	31.7.16	31.7.15
	£	£
Hire of plant and machinery	4,005	5,983
Other operating leases	6,614	6,614
Depreciation - owned assets	51,649	324,201
Profit on disposal of fixed assets	(315,327)	-
Auditors' remuneration	6,000	6,000
	<u> </u>	<u> </u>
Directors' remuneration	-	-
Directors' pension contributions to money purchase schemes	<u>8,641</u>	<u>7,858</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.7.16	31.7.15
	£	£
Bank interest	2,793	74
Interest on late tax	4,891	-
	<u>7,684</u>	<u>74</u>

5. TAXATION

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows:

	31.7.16	31.7.15
	£	£
Deferred tax	<u>(53,567)</u>	<u>(46,407)</u>
Tax on profit/(loss) on ordinary activities	<u>(53,567)</u>	<u>(46,407)</u>

ETHAMES GRADUATE SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016**

5. TAXATION - continued

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.7.16 £	31.7.15 £
Profit/(loss) on ordinary activities before tax	912,494	(735,322)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	182,499	(147,064)
Effects of:		
Expenses not deductible for tax purposes	659	-
Depreciation in excess of capital allowances	52,711	-
Utilisation of tax losses	(111,242)	147,064
2014 disallowed expenses now allowable	(124,627)	-
Deferred tax	(53,567)	(46,407)
Total tax credit	(53,567)	(46,407)

6. DIVIDENDS

	31.7.16 £	31.7.15 £
Ordinary shares of £1 each		
Final	132,000	36,000

7. TANGIBLE FIXED ASSETS

	Long leasehold £	Books £	Fixtures and fittings £
COST			
At 1 August 2015	109,384	12,804	2,472,153
Additions	-	2,549	4,200
Disposals	(109,384)	(3,846)	(2,472,153)
At 31 July 2016	-	11,507	4,200
DEPRECIATION			
At 1 August 2015	41,019	12,238	1,441,566
Charge for year	-	509	420
Eliminated on disposal	(41,019)	(3,279)	(1,441,566)
At 31 July 2016	-	9,468	420
NET BOOK VALUE			
At 31 July 2016	-	2,039	3,780
At 31 July 2015	68,365	566	1,030,587

ETHAMES GRADUATE SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016**

7. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer Equipment £	Totals £
COST			
At 1 August 2015	42,026	895,538	3,531,905
Additions	-	19,301	26,050
Disposals	(12,026)	(92,152)	(2,689,561)
At 31 July 2016	<u>30,000</u>	<u>822,687</u>	<u>868,394</u>
DEPRECIATION			
At 1 August 2015	33,628	648,003	2,176,454
Charge for year	1,001	49,719	51,649
Eliminated on disposal	(7,633)	(81,892)	(1,575,389)
At 31 July 2016	<u>26,996</u>	<u>615,830</u>	<u>652,714</u>
NET BOOK VALUE			
At 31 July 2016	<u>3,004</u>	<u>206,857</u>	<u>215,680</u>
At 31 July 2015	<u>8,398</u>	<u>247,535</u>	<u>1,355,451</u>

The fixture and fittings and improvements to building were sold during the year leaving a profit on sale of £315,327.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.16 £	31.7.15 £
Trade debtors	2,235,969	1,754,579
Other debtors	330,867	330,000
Prepayments	86,725	156,985
	<u>2,653,561</u>	<u>2,241,564</u>

The rent deposit of £330,000, lodged with the landlord, will be refunded in the next financial year.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.16 £	31.7.15 £
Bank loans and overdrafts (see note 10)	-	93,456
Trade creditors	10,585	10,081
Tax	-	22,489
Social security and other taxes	15,805	17,424
VAT	69,592	34,931
Directors' current accounts	216	173
Accruals and deferred income	2,104,397	2,930,885
	<u>2,200,595</u>	<u>3,109,439</u>

ETHAMES GRADUATE SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016**

10. LOANS

An analysis of the maturity of loans is given below:

	31.7.16 £	31.7.15 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	93,456
	<u> </u>	<u> </u>

11. LEASING AGREEMENTS

The company has entered into a commercial property lease at Montrose House in 2010 for a period of 10 years. The commitments are as follows

	2016 £	2015 £
Within 12 months	212,500	212,500
1-2 years	212,500	212,500
2-5 years	301,042	513,542

These are based on the current rent.

The company is committed to a lease on the property at Marsh Wall which is currently occupied and paid for by the University of Sunderland this commitment will cease when they formally assume responsibility for it.

12. SECURED DEBTS

The following secured debts are included within creditors:

	31.7.16 £	31.7.15 £
Bank overdraft	-	93,456
	<u> </u>	<u> </u>

There is a fixed and floating charge held by National Westminster Bank over all the assets and property of the company (including plant and machinery).

13. PROVISIONS FOR LIABILITIES

	31.7.16 £	31.7.15 £
Deferred tax		
Accelerated capital allowances	42,380	95,947
	<u> </u>	<u> </u>
		Deferred tax
		£
Balance at 1 August 2015		95,947
Credit to Income Statement during year		(53,567)
		<u> </u>
Balance at 31 July 2016		42,380
		<u> </u>

ETHAMES GRADUATE SCHOOL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2016**

14. CALLED UP SHARE CAPITAL

Allotted and issued:		Nominal value:	31.7.16	31.7.15
Number:	Class:		£	£
10,000	Share capital	£1	<u>10,000</u>	<u>10,000</u>

15. RESERVES

	Retained earnings £
At 1 August 2015	396,431
Profit for the year	966,061
Dividends	<u>(132,000)</u>
At 31 July 2016	<u>1,230,492</u>

16. CONTINGENT LIABILITIES

The company is currently undergoing an enquiry into 2010 and 2012 accounts. At this time it is not possible to predict the potential financial impact on the company of an adverse decision.

17. RELATED PARTY DISCLOSURES

During the year, total dividends of £132,000 (2015 - £36,000) were paid to the directors.

The company has sought services in respect of advertising and promotional, screening and vetting of students and IT support services from the following companies in which both directors have a controlling interest. These services are on an arms length basis payable upon demand and are not interest bearing.

Network Consultants PVT Ltd nil (2015 : £207,122)

Included in other debtors is a balance of £867 due from Enrich Consultants Limited (a company under common control) (2015: £nil).

18. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are Mr & Mrs Pula by virtue of their 100% shareholding.

ETHAMES GRADUATE SCHOOL LIMITED

**RECONCILIATION OF EQUITY
1 AUGUST 2014
(DATE OF TRANSITION TO FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		1,673,602	-	1,673,602
CURRENT ASSETS				
Debtors		1,111,450	-	1,111,450
Cash at bank and in hand		972,124	-	972,124
		2,083,574	-	2,083,574
CREDITORS				
Amounts falling due within one year		(2,483,476)	-	(2,483,476)
NET CURRENT LIABILITIES		(399,902)	-	(399,902)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,273,700	-	1,273,700
PROVISIONS FOR LIABILITIES		(142,354)	-	(142,354)
NET ASSETS		1,131,346	-	1,131,346
CAPITAL AND RESERVES				
Called up share capital		10,000	-	10,000
Retained earnings		1,121,346	-	1,121,346
SHAREHOLDERS' FUNDS		1,131,346	-	1,131,346

The notes form part of these financial statements

ETHAMES GRADUATE SCHOOL LIMITED

RECONCILIATION OF EQUITY - continued
31 JULY 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		1,355,451	-	1,355,451
CURRENT ASSETS				
Debtors		2,241,564	-	2,241,564
Cash at bank and in hand		14,802	-	14,802
		<u>2,256,366</u>	-	<u>2,256,366</u>
CREDITORS				
Amounts falling due within one year		(3,109,439)	-	(3,109,439)
NET CURRENT LIABILITIES		<u>(853,073)</u>	-	<u>(853,073)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		502,378	-	502,378
PROVISIONS FOR LIABILITIES		(95,947)	-	(95,947)
NET ASSETS		<u>406,431</u>	-	<u>406,431</u>
CAPITAL AND RESERVES				
Called up share capital		10,000	-	10,000
Retained earnings		396,431	-	396,431
SHAREHOLDERS' FUNDS		<u>406,431</u>	-	<u>406,431</u>

The notes form part of these financial statements

ETHAMES GRADUATE SCHOOL LIMITED

**RECONCILIATION OF LOSS
FOR THE YEAR ENDED 31 JULY 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	5,439,680	-	5,439,680
Cost of sales	(1,586,848)	-	(1,586,848)
GROSS PROFIT	3,852,832	-	3,852,832
Administrative expenses	(4,588,088)	-	(4,588,088)
OPERATING LOSS	(735,256)	-	(735,256)
Interest receivable and similar income	8	-	8
Interest payable and similar charges	(74)	-	(74)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(735,322)	-	(735,322)
Tax on loss on ordinary activities	46,407	-	46,407
LOSS FOR THE FINANCIAL YEAR	(688,915)	-	(688,915)

The notes form part of these financial statements

ETHAMES GRADUATE SCHOOL LIMITED
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2016

	31.7.16		31.7.15	
	£	£	£	£
Turnover				
Fees receivable	2,710,601		2,413,117	
Other Income	1,320,212		3,026,563	
		4,030,813		5,439,680
Cost of sales				
University tuition fees	17,831		136,470	
Screening and vetting services	791,904		742,520	
Variation costs & books	-		700,000	
Directors' pension contributions	8,641		7,858	
		818,376		1,586,848
GROSS PROFIT		3,212,437		3,852,832
Other income				
Deposit account interest		-		8
		3,212,437		3,852,840
Expenditure				
Rent and rates	1,084,116		1,084,351	
Insurance	23,933		30,321	
Light and heat	24,160		35,613	
Wages	723,171		983,445	
Social security	62,605		68,062	
Hire of plant and machinery	4,005		5,983	
Other operating leases	6,614		6,614	
Telephone	21,712		55,995	
Post and stationery	10,841		13,082	
Advertising	67,346		583,726	
Travelling	28,629		46,298	
Motor expenses	1,497		5,815	
Training	6,661		2,503	
Computer software	57,345		152,933	
Repairs and maintenance	55,739		408,753	
Courier charges	790		3,238	
Consultancy fees	286,316		610,162	
Accreditation fees	-		1,434	
Subscriptions	43,388		20,796	
Subsistence	-		17,140	
General expenses	4,204		15,356	
Accountancy	11,043		11,540	
Legal and professional	12,437		12,400	
Auditors' remuneration	6,000		6,000	
Donations	10		-	
Depreciation of tangible fixed assets				
Long leasehold	-		13,673	
Depn of books	510		142	
Fixtures and fittings	420		247,215	
Motor vehicles	1,001		2,799	
Computer equipment	49,719		60,372	
Profit/loss on sale of tangible fixed assets	(315,327)		-	
Entertainment	3,295		-	
Carried forward	2,282,180	3,212,437	4,505,761	3,852,840

This page does not form part of the statutory financial statements

ETHAMES GRADUATE SCHOOL LIMITED
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2016

	31.7.16		31.7.15	
	£	£	£	£
Brought forward	2,282,180	3,212,437	4,505,761	3,852,840
Bad debts	-		73,750	
	<u> </u>	2,282,180	<u> </u>	4,579,511
		930,257		(726,671)
Finance costs				
Bank charges	10,079		8,577	
Bank interest	2,793		74	
Interest on late tax	4,891		-	
	<u> </u>	17,763	<u> </u>	8,651
NET PROFIT/(LOSS)		<u>912,494</u>		<u>(735,322)</u>

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