

**NAVITAS UK HOLDINGS LIMITED**

**Directors' report and financial statements**

**As of and for the year ended 30 June 2009**

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## **NAVITAS UK HOLDINGS LIMITED**

### **Directors' report and financial statements 2009**

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## **NAVITAS UK HOLDINGS LIMITED**

### **Directors' report and financial statements 2009**

#### **Officers and professional advisers**

##### **Directors**

R M Jones  
K P Hutchinson

##### **Secretary**

J A Marshall

##### **Registered Office**

Margam Building  
Swansea University  
Singleton Park  
Swansea  
SA2 8PP  
UK

##### **Bankers**

HSBC  
36 Fore Street  
Hertford  
SG14 1BS

Citibank NA  
336 Strand  
London  
WC2R 1HB

##### **Auditors**

Deloitte LLP  
Reading

## **NAVITAS UK HOLDINGS LIMITED**

### **Directors' report**

The directors present their annual report, together with the financial statements and auditors' report, for the year ended 30 June 2009. This directors' report has been prepared in accordance with the special provisions relating to small companies under s415(A) of the Companies Act 2006.

#### **Principal activity and business review**

The company was incorporated on 27 November 2006.

The principal activity of the company is that of a holding company. The directors are not aware, at the date of this report, of any likely major changes in the company's activity in the next year.

There was a loss for the year after tax of £762,091 (2008: £436,485 loss). The directors do not recommend a dividend (2008: £nil).

The directors expect the general level of activity in the company to increase in the future, however, with effect from 1 July 2009, management costs have been recharged to other associated companies, thus reducing the anticipated loss for future years.

#### **Going concern**

The directors have acknowledged the latest guidance regarding going concern. Whilst the current volatility in financial markets has created great uncertainty, the ultimate parent company, Navitas Limited, has considerable financial resources, together with significant revenue streams across different geographic areas and industries and has expressed its willingness to continue to provide support to the company for the foreseeable future, and in particular for a period of at least twelve months from the date of these accounts. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### **Directors**

The directors who served the company during the year and to the date of signing were as follows:

R M Jones

K Hutchinson

#### **Directors' indemnities**

The Company has not made qualifying third party indemnity provisions for the benefit of its directors which were made during the year or remain in force at the date of this report.

#### **Charitable and political contributions**

During the period, the company made no donations.

#### **Auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

## **NAVITAS UK HOLDINGS LIMITED**

### **Directors' report**

Deloitte LLP were appointed as auditors in the period. A resolution proposing that Deloitte LLP be reappointed as auditors of the company will be submitted at the forthcoming Annual General Meeting.

This report was approved by the Directors on 27 May 2010.

A handwritten signature in black ink, appearing to read 'K Hutchinson', followed by a long horizontal line.

**K Hutchinson**

**Director**

## **NAVITAS UK HOLDINGS LIMITED**

### **Statement of directors' responsibilities**

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 such 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 judgments and estimates that are reasonable and prudent, 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 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 auditors' report to the members of Navitas UK Holdings Limited**

We have audited the financial statements of Navitas UK Holdings Limited for the year ended 30 June 2009 which comprise the Profit and loss account, the Balance sheet, and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the 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 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 (APB'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.

### **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 30 June 2009 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.

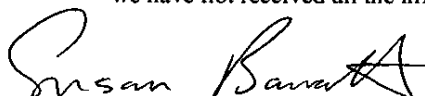
### **Opinion on other matter prescribed by the Companies Act 2006**

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.

### **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.



Susan Barratt BA ACA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Reading, United Kingdom  
27 May 2010

## NAVITAS UK HOLDINGS LIMITED

### Profit and loss account

For the year ended 30 June 2009

	Note	2009 £	2008 £
Administrative expenses		(407,605)	(132,137)
<b>Operating loss</b>	2	(407,605)	(132,137)
Interest payable and similar charges	4	(253,283)	(306,855)
Interest receivable and similar income	5	3,797	2,507
<b>Loss on ordinary activities before taxation</b>		(657,091)	(436,485)
Tax on loss on ordinary activities	6	-	-
<b>Loss on ordinary activities after taxation</b>	11, 12	(657,091)	(436,485)

All amounts derive from continuing activities in the current and preceding year

The company has no recognised gains or losses other than the results for the year as set out above. Accordingly, no statement of total recognised gains and losses has been prepared



# NAVITAS UK HOLDINGS LIMITED

## Balance sheet As of 30 June 2009

	Note	2009 £	2008 £
<b>Fixed assets</b>			
Tangible assets		4,304	
Investments	7	<u>3,921,366</u>	<u>3,921,359</u>
		3,925,670	3,921,359
<b>Current assets</b>			
Debtors	8	859,486	463,925
Cash at bank and in hand		<u>-</u>	<u>26,214</u>
		859,486	490,139
<b>Creditors: Amounts falling due within one year</b>	9	<u>(5,983,730)</u>	<u>(4,952,981)</u>
<b>Net current liabilities</b>		<u>(5,124,244)</u>	<u>(4,462,842)</u>
<b>Net liabilities</b>		<u>(1,198,574)</u>	<u>(541,483)</u>
<b>Capital and reserves</b>			
Called up share capital	10	2	2
Profit and loss account	11	<u>(1,198,576)</u>	<u>(541,485)</u>
<b>Shareholder's deficit</b>	12	<u>(1,198,574)</u>	<u>(541,483)</u>

These financial statements for Navitas UK Holdings Limited, Registered Number 06009965, were approved for issue by the Board of Directors on 27 May 2010



K Hutchinson  
Director

## NAVITAS UK HOLDINGS LIMITED

### Notes to the financial statements For the year ended 30 June 2009

#### 1. Accounting policies

The accounts have been prepared in accordance with accounting principles generally accepted in the United Kingdom. With the exception of the treatment of rental income and expenditure these have been applied consistently throughout the current and preceding year.

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention.

##### **Going concern**

The directors have acknowledged the latest guidance regarding going concern. Whilst the current volatility in financial markets has created great uncertainty, the company's parent company, Navitas Limited, has considerable financial resources, together with significant revenue streams across different geographic areas and industries and has expressed its willingness to continue to provide support to the company for the foreseeable future, and in particular for a period of at least twelve months from the date of these accounts. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

##### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is a wholly owned subsidiary of a parent company that publishes a consolidated cash flow statement.

##### **Related parties transactions**

The company is a wholly owned subsidiary of Navitas Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS8 from disclosing transactions with members or investees of IBT Education Limited.

##### **Investments**

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

##### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### **Pension contributions**

Pension contributions to the company's defined contribution pension scheme are charged to the Profit and loss account as they accrue. As at 30 June 2009, no unpaid contributions due in respect of the reporting period exist (2008: £nil).

#### 2. Operating loss

Audit fees of £4,500 were borne by another Navitas Limited or subsidiary entity (the "group") undertaking in the current period (2008: £3,000).

# NAVITAS UK HOLDINGS LIMITED

## Notes to the financial statements (continued) As of and for the year ended 30 June 2009

### 3 Directors and employees

The average number of persons (including directors) employed by the company during the period was

	2009 No	2008 No
Administration	2	2
<b>Staff costs (including directors) arising during the period amounted to.</b>	<b>£</b>	<b>£</b>
Wages and salaries	268,213	90,831
Social security costs	14,208	10,773
Pension costs	6,842	3,916
	<u>289,263</u>	<u>105,520</u>
<b>Directors' emoluments.</b>	<b>£</b>	<b>£</b>
Wages and salaries	75,417	39,038
Social security costs	14,774	4,044
Pension costs	5,613	1,668
	<u>98,804</u>	<u>44,750</u>
	<b>No</b>	<b>No</b>
Number of directors who are members of a defined contribution pension scheme	<u>1</u>	<u>1</u>

### 4. Interest payable and similar charges

	2009 £	2008 £
Bank interest payable	-	198,878
Interest payable to group companies	253,283	107,977
	<u>253,283</u>	<u>306,855</u>

### 5. Interest receivable and similar income

	2009 £	2008 £
Bank interest receivable	<u>3,797</u>	<u>2,507</u>

# NAVITAS UK HOLDINGS LIMITED

## Notes to the financial statements (continued) As of and for the year ended 30 June 2009

### 6. Tax on loss on ordinary activities

	2009 £	2008 £
Current tax		
Corporation tax	-	-

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 28%, (2008 29.5%) The differences are explained as follows

	2009 £	2008 £
<b>Loss on ordinary activities before taxation</b>	<b>(657,091)</b>	<b>(436,485)</b>
Loss on ordinary activities multiplied by standard blended rate of corporation tax in UK of 28% (2008 29.5%)	(183,385)	(128,763)
Effect of		
Expenses not deductible for tax purposes	13,271	90,522
Capital allowances in excess of depreciation	(356)	-
Group relief surrendered for nil payment	171,070	38,241
<b>Current tax for the year/period</b>	<b>-</b>	<b>-</b>

As at 30 June 2009, there was no unrecognised deferred tax asset (2008 Asset £29,400)

### 7. Fixed asset investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 July 2008	3,921,359
Additions	6
At 30 June 2009	3,921,365
<b>Net book value</b>	
At 30 June 2009	3,921,365
At 30 June 2008	3,921,359

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

Company	Country of registration or Incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
Employment Overseas Limited	England & Wales	Ordinary	100

## NAVITAS UK HOLDINGS LIMITED

### Notes to the financial statements (continued)

As of and for the year ended 30 June 2009

Study Overseas Limited	England & Wales	Ordinary	100
Cambridge Ruskin International College Limited	England & Wales	Ordinary	100
(registered on 24 October 2007 as a new incorporated entity for 100% of the issued share capital for consideration comprising the issue of 2 ordinary shares of £1 each at nominal value)			
International College Wales Limited	England & Wales	Ordinary	100
(registered on 29 October 2007 as a new incorporated entity for 100% of the issued share capital for consideration comprising the issue of 2 ordinary shares of £1 each at nominal value)			
International College Portsmouth Limited	England & Wales	Ordinary	100
(registered on 10 <sup>th</sup> December 2008 as a new incorporated entity for 100% of the issued share capital for consideration comprising the issue of 2 ordinary shares of £1 each at nominal value)			
Plymouth and Devon International College Limited	England & Wales	Ordinary	100
(registered on 18 <sup>th</sup> February 2009 as a new incorporated entity for 100% of the issued share capital for consideration comprising the issue of 2 ordinary shares of £1 each at nominal value)			
Edinburgh International College Limited	England & Wales	Ordinary	100
(registered on 18 <sup>th</sup> February 2009 as a new incorporated entity for 100% of the issued share capital for consideration comprising the issue of 2 ordinary shares of £1 each at nominal value)			

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

<b>Subsidiary undertakings</b>	<b>Principal activity</b>
Employment Overseas Limited	Finding employment for overseas students
Study Overseas Limited	Promoting further and higher education to overseas students
Cambridge Ruskin International College Limited	Provision of educational and training services
International College Wales Limited	Provision of educational and training services
International College Portsmouth Limited	Provision of educational and training services
Plymouth and Devon International College Limited	Provision of educational and training services
Edinburgh International College Limited	Provision of educational and training services

# **NAVITAS UK HOLDINGS LIMITED**

## **Notes to the financial statements (continued)** **As of and for the year ended 30 June 2009**

### **8. Debtor**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	859,486	463,925

### **9. Creditors**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year		
Bank Overdraft	8,185	-
Trade creditors	15,676	-
Amounts due to group companies	5,800,336	4,952,981
Tax and social security	21,024	-
Other creditors and accruals	138,509	-
	<u>5,983,730</u>	<u>4,952,981</u>

### **10. Called up share capital**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

## NAVITAS UK HOLDINGS LIMITED

### Notes to the financial statements (continued) As of and for the year ended 30 June 2009

#### 11. Reserves

	Profit and loss 2009 £	Profit and loss 2008 £
At 1 July 2008	(541,485)	(105,000)
Loss on ordinary activities after taxation	<u>(657,091)</u>	<u>(436,485)</u>
At 30 June 2009	<u><u>(1,198,576)</u></u>	<u><u>(541,485)</u></u>

#### 12. Reconciliation of movement on shareholder's deficit

	2009 £	2008 £
Loss on ordinary activities after taxation	<u>(657,091)</u>	<u>(436,485)</u>
Net increase in shareholder's deficit	<u>(657,091)</u>	<u>(436,485)</u>
Opening shareholder's deficit	<u>(541,485)</u>	<u>(104,998)</u>
Closing shareholder's deficit	<u><u>(1,198,574)</u></u>	<u><u>(541,483)</u></u>

#### 13. Ultimate parent undertaking and controlling party

The directors consider that the immediate parent undertaking of this company is its parent company IBT Education (UK) Proprietary Limited, a company incorporated in Australia

The ultimate parent company is Navitas Limited which is a company incorporated in Australia and listed on the Australian Stock Exchange. This is the smallest and largest company to consolidate the results of the company. The accounts of Navitas Limited may be obtained from Level 2, Kirin Centre, 15 Ogilvie Road, Mount Pleasant, Western Australia, Australia 6153