

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015  
FOR  
PRIME EDUCATION AND TRAINING LTD**

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**PRIME EDUCATION AND TRAINING LTD**

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

|   | <b>Page</b> |
|---|-------------|
| <b>Company Information</b>                              | <b>1</b>    |
| <b>Group Strategic Report</b>                           | <b>2</b>    |
| <b>Report of the Directors</b>                          | <b>4</b>    |
| <b>Report of the Independent Auditors</b>               | <b>5</b>    |
| <b>Consolidated Statement of Comprehensive Income</b>   | <b>6</b>    |
| <b>Consolidated Balance Sheet</b>                       | <b>7</b>    |
| <b>Company Balance Sheet</b>                            | <b>8</b>    |
| <b>Consolidated Statement of Changes in Equity</b>      | <b>9</b>    |
| <b>Company Statement of Changes in Equity</b>           | <b>10</b>   |
| <b>Consolidated Cash Flow Statement</b>                 | <b>11</b>   |
| <b>Notes to the Consolidated Cash Flow Statement</b>    | <b>12</b>   |
| <b>Notes to the Consolidated Financial Statements</b>   | <b>13</b>   |
| <b>Reconciliation of Equity</b>                         | <b>27</b>   |
| <b>Reconciliation of Profit</b>                         | <b>31</b>   |
| <b>Consolidated Trading and Profit and Loss Account</b> | <b>32</b>   |

**PRIME EDUCATION AND TRAINING LTD**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**DIRECTORS:**

N F Pamplin  
A G Hutchinson  
A W Green

**SECRETARY:**

A W Green

**REGISTERED OFFICE:**

Unit N3  
The Old Market  
Upper Market Street  
Hove  
East Sussex  
BN3 1AS

**REGISTERED NUMBER:**

06198271 (England and Wales)

**SENIOR STATUTORY AUDITOR:**

Barry C Carden                      FCCA

**AUDITORS:**

Cardens Accountants LLP  
Statutory Auditors  
The Old Casino  
28 Fourth Avenue  
Hove  
East Sussex  
BN3 2PJ

## **PRIME EDUCATION AND TRAINING LTD**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors present their strategic report of the company and the group for the year ended 31 December 2015.

#### **REVIEW OF BUSINESS**

The results for the year and financial position of the group are as shown in the annexed financial statements.

The group continued to operate three international colleges in the UK offering academic programmes (eg. A Levels and Foundation programmes) as well as a wide range of English language programmes throughout the year and two international colleges in the USA offering a similar selection of English language programmes. It also operated a number of summer camps for junior students in the UK and US. The Kings Pathways division now operates from 5 sites in the US and places international students in US universities and colleges. The company sourced its students from over 70 markets around the world including S America, Africa, Europe and Asia recruited mostly through a range of educational partners but also directly from its own marketing channels.

#### **Business Performance**

|                        | 2015<br>£'000 | 2014<br>£'000 | Movement<br>% |
|------------------------|---------------|---------------|---------------|
| Turnover               | 38,266        | 35,937        | 6             |
| Gross profit           | 8,830         | 8,136         | 9             |
| Profit before taxation | (159)         | 262           | (161)         |

Revenues were up 6% on the previous year. The growth in revenues was driven by an increase in students on pre university courses in the UK as well as growth in the pathways division in the US.

Development of the US business continued during the financial year with our fifth pathway partner, Rider University, commencing partway through the year. This helped the US contribution to 34% of the group's turnover and 39% of the group's gross profit.

Operating costs increased 15% during the year in line with maintaining the ongoing investment in developing the US business and extending the Sales and Marketing base to provide a platform for future growth and profitability. Added to this the USA head office moved to a downtown LA location and for the first time has all key group functions under one roof.

Following the company's significant investment in sales, marketing, Human Resources and infrastructure the directors are confident that the company is poised to take advantage of its market position and will generate significant future profits.

Under intangible assets, the operating licence held by Kings Colleges (USA) LLC was revalued during the year but this is mostly offset by a loss on disposal of Human International (the company that original held the licence), and the amortisation of goodwill now necessary under FRS 102. The revaluation passes through reserves and not current year income.

Tangible fixed assets net book value has increased by £1m following extensions and upgrades to the Hollywood school, and adding a small on-campus residence, and ongoing investment in global IT systems.

Strong future bookings and consistent credit control have contributed to a healthy year-end cash balance and increased payments on accounts and deferred income balances.

The directors consider the balance sheet position of the company at year-end to be satisfactory.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The softness in some economies around the world, the reduced confidence in world-wide travel through acts of terrorism, and conflict in various regions remains a risk to the business as a whole but the company is confident that it devotes sufficient resources to minimise any risk in these areas.

These uncertainties and the strength of sterling and the US dollar in 2016 will likely weaken English Language course revenues although academic and pathway revenues should be less impacted by such factors. The directors are confident that the business has a sufficient mix of revenues streams to offset downturns in certain areas.

## **PRIME EDUCATION AND TRAINING LTD**

### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The group's principal financial instruments comprise loans to the company, bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

In respect of bank balances the group manages the risk by maintaining the correct balance for fees received for courses and trade creditors.

In respect of loans and overall liquidity risk the group ensures there are sufficient funds in place to meet the repayments.

Trade debtors are managed in respect of credit and cash flow risk by monitoring future course bookings and payments made on a regular basis.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The group is exposed to interest rate risk on interest bearing loans and borrowings, due to the variable rate loan agreement in place. However the group regards this risk as low risk in the short term due to the current historic low base rates and the general view that these are unlikely to rise significantly in the foreseeable future.

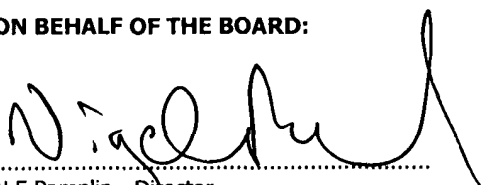
#### **EMPLOYEES**

The employees of the Prime group of companies are vital to achieving the business objectives. The company has clear policies for the safe recruitment, training and development of staff including an ongoing performance management system.

The Prime group of companies is an equal opportunities employer and will continue to ensure it offers career opportunities without discrimination. All employees irrespective of any protected characteristics, as outlined in the Equalities Act 2010, have full access to training, development and promotion.

The Prime group of companies communicates important information to its employees through a number of channels including email, cross company and site meetings and other staff forums. The Principal of each college attends Senior Management Meetings twice per year where a company update is given and is expected to inform local staff as appropriate.

#### **ON BEHALF OF THE BOARD:**



N F Pamplin - Director

Date: 14/9/16

## **PRIME EDUCATION AND TRAINING LTD**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2015.

#### **PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of international education under its brand name Kings Education.

#### **DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2015 will be £350,167.

#### **DIRECTORS**

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

N F Pamplin  
A G Hutchinson  
A W Green

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

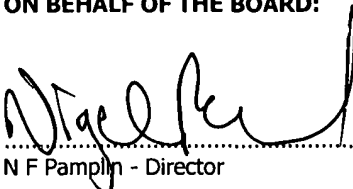
#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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 group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

#### **AUDITORS**

The auditors, Cardens Accountants LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

#### **ON BEHALF OF THE BOARD:**

  
.....  
N F Pamplin - Director

Date: 14/9/16  
.....

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PRIME EDUCATION AND TRAINING LTD**

We have audited the financial statements of Prime Education And Training Ltd for the year ended 31 December 2015 on pages six to thirty 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. 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 a Report of the Auditors 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 set out on page four, 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 group's and the parent 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 Group 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 us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.


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

In our opinion the information given in the Group 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.

### **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.

  
Barry C Carden FCCA (Senior Statutory Auditor)  
for and on behalf of Cardens Accountants LLP  
Statutory Auditors  
The Old Casino  
28 Fourth Avenue  
Hove  
East Sussex  
BN3 2PJ

Date: 14/9/16

**PRIME EDUCATION AND TRAINING LTD**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**

|   | Notes | 2015<br>£  | 2014<br>£  |
|---|-------|------------|------------|
| <b>TURNOVER</b>   | 2     | 38,266,394 | 35,937,109 |
| Cost of sales   |       | 29,436,893 | 27,800,839 |
| <b>GROSS PROFIT</b>   |       | 8,829,501  | 8,136,270  |
| Administrative expenses   |       | 8,994,424  | 7,816,505  |
|   |       | (164,923)  | 319,765    |
| Other operating income  |       | 95,547     | 43,131     |
| <b>OPERATING (LOSS)/PROFIT</b>  |       | (69,376)   | 362,896    |
| Interest receivable and similar income                                |       | 133        | 751        |
|   |       | (69,243)   | 363,647    |
| Interest payable and similar charges                                  | 4     | 89,586     | 101,426    |
| <b>(LOSS)/PROFIT ON ORDINARY<br/>ACTIVITIES BEFORE TAXATION</b>       | 5     | (158,829)  | 262,221    |
| Tax on (loss)/profit on ordinary activities                           | 6     | 51,445     | 108,290    |
| <b>(LOSS)/PROFIT FOR THE FINANCIAL<br/>YEAR</b>                       |       | (210,274)  | 153,931    |
| <b>OTHER COMPREHENSIVE INCOME</b>                                     |       |            |            |
| Foreign exchange movements  |       | (60,338)   | 45,778     |
| Revaluation of licence  |       | 355,202    | -          |
| Income tax relating to components of other<br>comprehensive income    |       | -          | -          |
| <b>OTHER COMPREHENSIVE INCOME FOR<br/>THE YEAR, NET OF INCOME TAX</b> |       | 294,864    | 45,778     |
| <b>TOTAL COMPREHENSIVE INCOME FOR<br/>THE YEAR</b>                    |       | 84,590     |            |
| Prior year adjustment   |       |            | 87,885     |
| <b>TOTAL COMPREHENSIVE INCOME SINCE<br/>LAST ANNUAL REPORT</b>        |       |            | 287,594    |
| Profit attributable to:<br>Owners of the parent                       |       | (210,274)  | 153,931    |
| Total comprehensive income attributable to:<br>Owners of the parent   |       | 84,590     | 287,594    |

The notes form part of these financial statements

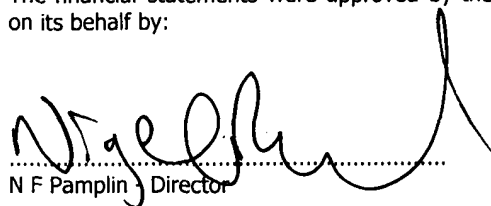


**PRIME EDUCATION AND TRAINING LTD (REGISTERED NUMBER: 06198271)**

**CONSOLIDATED BALANCE SHEET  
31 DECEMBER 2015**

|  | Notes | 2015              |                         | 2014              |                         |
|--|-------|-------------------|-------------------------|-------------------|-------------------------|
|  |       | £                 | £                       | £                 | £                       |
| <b>FIXED ASSETS</b>                          |       |                   |                         |                   |                         |
| Intangible assets                            | 10    |                   | 2,350,643               |                   | 2,363,695               |
| Tangible assets                              | 11    |                   | 8,303,276               |                   | 7,331,985               |
| Investments                                  | 12    |                   | -                       |                   | -                       |
| Investment property                          | 13    |                   | -                       |                   | -                       |
|  |       |                   | <u>10,653,919</u>       |                   | <u>9,695,680</u>        |
| <b>CURRENT ASSETS</b>                        |       |                   |                         |                   |                         |
| Stocks                                       | 14    | 3,446             |                         | 11,379            |                         |
| Debtors                                      | 15    | 3,809,194         |                         | 3,730,842         |                         |
| Cash at bank and in hand                     |       | <u>3,831,619</u>  |                         | <u>4,419,899</u>  |                         |
|  |       |                   | <u>7,644,259</u>        |                   | <u>8,162,120</u>        |
| <b>CREDITORS</b>                             |       |                   |                         |                   |                         |
| Amounts falling due within one year          | 16    | <u>13,983,581</u> |                         | <u>13,110,566</u> |                         |
| <b>NET CURRENT LIABILITIES</b>               |       |                   | <u>(6,339,322)</u>      |                   | <u>(4,948,446)</u>      |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                   | <u>4,314,597</u>        |                   | <u>4,747,234</u>        |
| <b>CREDITORS</b>                             |       |                   |                         |                   |                         |
| Amounts falling due after more than one year | 17    |                   | (3,183,190)             |                   | (3,278,537)             |
| <b>PROVISIONS FOR LIABILITIES</b>            | 21    |                   | <u>(70,514)</u>         |                   | <u>(142,227)</u>        |
| <b>NET ASSETS</b>                            |       |                   | <u><u>1,060,893</u></u> |                   | <u><u>1,326,470</u></u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                   |                         |                   |                         |
| Called up share capital                      | 22    |                   | 1,000                   |                   | 1,000                   |
| Revaluation reserve                          | 23    |                   | 829,372                 |                   | 474,170                 |
| Retained earnings                            | 23    |                   | <u>230,521</u>          |                   | <u>851,300</u>          |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                   | <u><u>1,060,893</u></u> |                   | <u><u>1,326,470</u></u> |

The financial statements were approved by the Board of Directors on 14/9/16 and were signed on its behalf by:

  
N F Pamplin Director

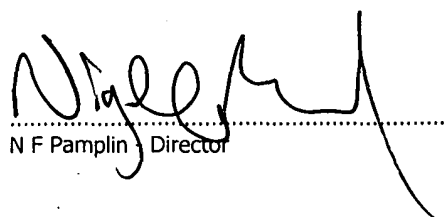
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**PRIME EDUCATION AND TRAINING LTD (REGISTERED NUMBER: 06198271)**

**COMPANY BALANCE SHEET  
31 DECEMBER 2015**

|  | Notes | 2015<br>£          | 2014<br>£          |
|--|-------|--------------------|--------------------|
| <b>FIXED ASSETS</b>                          |       |                    |                    |
| Intangible assets                            | 10    | -                  | -                  |
| Tangible assets                              | 11    | 133,308            | 76,980             |
| Investments                                  | 12    | 2,488,755          | 2,488,755          |
| Investment property                          | 13    | 4,714,824          | 4,471,189          |
|  |       | <u>7,336,887</u>   | <u>7,036,924</u>   |
| <b>CURRENT ASSETS</b>                        |       |                    |                    |
| Debtors                                      | 15    | 411,540            | 314,591            |
| Cash at bank and in hand                     |       | <u>88,387</u>      | <u>50,349</u>      |
|  |       | 499,927            | 364,940            |
| <b>CREDITORS</b>                             |       |                    |                    |
| Amounts falling due within one year          | 16    | <u>3,704,989</u>   | <u>3,150,877</u>   |
| <b>NET CURRENT LIABILITIES</b>               |       | <u>(3,205,062)</u> | <u>(2,785,937)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | 4,131,825          | 4,250,987          |
| <b>CREDITORS</b>                             |       |                    |                    |
| Amounts falling due after more than one year | 17    | (3,183,190)        | (3,278,537)        |
| <b>PROVISIONS FOR LIABILITIES</b>            | 21    | <u>(76,137)</u>    | <u>(149,873)</u>   |
| <b>NET ASSETS</b>                            |       | <u>872,498</u>     | <u>822,577</u>     |
| <b>CAPITAL AND RESERVES</b>                  |       |                    |                    |
| Called up share capital                      | 22    | 1,000              | 1,000              |
| Revaluation reserve                          | 23    | 699,548            | 699,548            |
| Retained earnings                            | 23    | <u>171,950</u>     | <u>122,029</u>     |
| <b>SHAREHOLDERS' FUNDS</b>                   |       | <u>872,498</u>     | <u>822,577</u>     |

The financial statements were approved by the Board of Directors on ..... 14/9/16 ..... and were signed on its behalf by:

  
N F Pamplin Director

The notes form part of these financial statements

**PRIME EDUCATION AND TRAINING LTD**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

|                                    | Called up<br>share<br>capital<br>£ | Retained<br>earnings<br>£ | Revaluation<br>reserve<br>£ | Total<br>equity<br>£ |
|------------------------------------|------------------------------------|---------------------------|-----------------------------|----------------------|
| <b>Balance at 1 January 2014</b>   | 1,000                              | 966,726                   | 428,392                     | 1,396,118            |
| Prior year adjustment              | -                                  | 87,885                    | -                           | 87,885               |
| As restated                        | 1,000                              | 1,054,611                 | 428,392                     | 1,484,003            |
| <b>Changes in equity</b>           |                                    |                           |                             |                      |
| Dividends                          | -                                  | (357,242)                 | -                           | (357,242)            |
| Total comprehensive income         | -                                  | 153,931                   | 45,778                      | 199,709              |
| <b>Balance at 31 December 2014</b> | 1,000                              | 851,300                   | 474,170                     | 1,326,470            |
| <b>Changes in equity</b>           |                                    |                           |                             |                      |
| Dividends                          | -                                  | (350,167)                 | -                           | (350,167)            |
| Total comprehensive income         | -                                  | (270,612)                 | 355,202                     | 84,590               |
| <b>Balance at 31 December 2015</b> | 1,000                              | 230,521                   | 829,372                     | 1,060,893            |

The notes form part of these financial statements

**PRIME EDUCATION AND TRAINING LTD**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

|                                    | Called up<br>share<br>capital<br>£ | Retained<br>earnings<br>£ | Revaluation<br>reserve<br>£ | Total<br>equity<br>£ |
|------------------------------------|------------------------------------|---------------------------|-----------------------------|----------------------|
| <b>Balance at 1 January 2014</b>   | 1,000                              | 43,835                    | 699,548                     | 744,383              |
| <b>Changes in equity</b>           |                                    |                           |                             |                      |
| Dividends                          | -                                  | (357,242)                 | -                           | (357,242)            |
| Total comprehensive income         | -                                  | 435,436                   | -                           | 435,436              |
| <b>Balance at 31 December 2014</b> | <u>1,000</u>                       | <u>122,029</u>            | <u>699,548</u>              | <u>822,577</u>       |
| <b>Changes in equity</b>           |                                    |                           |                             |                      |
| Dividends                          | -                                  | (350,167)                 | -                           | (350,167)            |
| Total comprehensive income         | -                                  | 400,088                   | -                           | 400,088              |
| <b>Balance at 31 December 2015</b> | <u>1,000</u>                       | <u>171,950</u>            | <u>699,548</u>              | <u>872,498</u>       |

The notes form part of these financial statements

**PRIME EDUCATION AND TRAINING LTD**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

|   | Notes | 2015<br>£               | 2014<br>£               |
|---|-------|-------------------------|-------------------------|
| <b>Cash flows from operating activities</b>             |       |                         |                         |
| Cash generated from operations                          | 1     | 1,735,387               | 3,542,082               |
| Interest paid   |       | (89,586)                | (101,426)               |
| Tax paid  |       | (178,876)               | (158,523)               |
| Net cash from operating activities                      |       | <u>1,466,925</u>        | <u>3,282,133</u>        |
| <b>Cash flows from investing activities</b>             |       |                         |                         |
| Purchase of tangible fixed assets                       |       | (1,564,788)             | (1,054,872)             |
| Sale of intangible fixed assets                         |       | 120,163                 | -                       |
| Sale of fixed asset investments                         |       | (142,417)               | -                       |
| Cash introduced on acquisition of trade                 |       | -                       | 68,573                  |
| Interest received                                       |       | 133                     | 751                     |
| Net cash from investing activities                      |       | <u>(1,586,909)</u>      | <u>(985,548)</u>        |
| <b>Cash flows from financing activities</b>             |       |                         |                         |
| New loans in year                                       |       | 197,964                 | 298,026                 |
| Loan repayments in year                                 |       | (250,938)               | (214,369)               |
| FX reserves movement                                    |       | (74,665)                | 23,738                  |
| Equity dividends paid                                   |       | (350,167)               | (357,242)               |
| Net cash from financing activities                      |       | <u>(477,806)</u>        | <u>(249,847)</u>        |
| <b>(Decrease)/increase in cash and cash equivalents</b> |       | <u>(597,790)</u>        | <u>2,046,738</u>        |
| <b>Cash and cash equivalents at beginning of year</b>   | 2     | <u>4,419,899</u>        | <u>2,373,161</u>        |
| <b>Cash and cash equivalents at end of year</b>         | 2     | <u><u>3,822,109</u></u> | <u><u>4,419,899</u></u> |

The notes form part of these financial statements

**PRIME EDUCATION AND TRAINING LTD**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

|                                       | 2015<br>£               | 2014<br>£               |
|---------------------------------------|-------------------------|-------------------------|
| (Loss)/profit before taxation         | (158,829)               | 262,221                 |
| Depreciation charges                  | 837,032                 | 778,893                 |
| Loss on disposal of fixed assets      | 142,417                 | -                       |
| Finance costs                         | 89,586                  | 101,426                 |
| Finance income                        | (133)                   | (751)                   |
|                                       | <u>910,073</u>          | <u>1,141,789</u>        |
| Decrease in stocks                    | 7,933                   | 7,822                   |
| Decrease in trade and other debtors   | 88,344                  | 817,372                 |
| Increase in trade and other creditors | <u>729,037</u>          | <u>1,575,099</u>        |
| <b>Cash generated from operations</b> | <u><u>1,735,387</u></u> | <u><u>3,542,082</u></u> |

**2. CASH AND CASH EQUIVALENTS**

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

**Year ended 31 December 2015**

|                           | 31.12.15<br>£           | 1.1.15<br>£             |
|---------------------------|-------------------------|-------------------------|
| Cash and cash equivalents | 3,831,619               | 4,419,899               |
| Bank overdrafts           | (9,510)                 | -                       |
|                           | <u><u>3,822,109</u></u> | <u><u>4,419,899</u></u> |

**Year ended 31 December 2014**

|                           | 31.12.14<br>£           | 1.1.14<br>£             |
|---------------------------|-------------------------|-------------------------|
| Cash and cash equivalents | <u><u>4,419,899</u></u> | <u><u>2,373,161</u></u> |

## **PRIME EDUCATION AND TRAINING LTD**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

#### **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 as modified by the revaluation of certain assets.

This is the first year in which the financial statements have been prepared under FRS 102. Any changes in accounting policy have been applied from the opening date of the previous period. Equity has been reconciled to the previously stated amounts for the opening and closing position of the comparative period on pages 27 - 30 and the profit for the comparative year has been reconciled to the previously stated amounts on page 31.

These financial statements have been prepared on the basis that the company will continue to be a going concern. If this assumption is not considered valid, then adjustments would need to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

##### **Basis of consolidation**

These financial statements have been prepared on the basis that the group will continue to be a going concern. If this assumption is not considered valid, then adjustments would need to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

##### **Turnover**

Turnover represents the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the company's activities. Turnover is presented gross of any discounts offered to agents as a commission, but net of any value added tax.

For the rendering of services where a customer receives consideration over a period of more than one day, turnover is recognised on a straight-line basis over the duration of the period of consideration.

For the rendering of services where a customer receives all the consideration of the sale on one day, turnover is recognised on that day.

For the sale of goods, turnover is recognised when the goods are physically received by the customer.

##### **Goodwill**

Goodwill represents the amount of consideration paid for the acquisition of the subsidiary companies less the fair value of the net assets of those subsidiaries at acquisition. The carrying value of goodwill is reviewed by the directors annually and any impairment arising during the year is charged to the profit and loss account in the year. This is subsequently amortised over its estimated useful life of 10 years.

##### **Patents and licences**

The licence has been recognised at cost to the group. This is subsequently amortised over its estimated useful life of 10 years.

##### **Tangible fixed assets**

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

|                       |   |
|-----------------------|---|
| Freehold property     | - 2% on cost and 1% on cost   |
| Short leasehold       | - 12.5% on cost, 10% on cost, at varying rates on cost and Over the life of the lease |
| Freehold land         | - not provided and Over the life of the lease   |
| Fixtures and fittings | - 20% on cost   |
| Computer equipment    | - 25% on cost   |

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

# PRIME EDUCATION AND TRAINING LTD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2015

### 1. ACCOUNTING POLICIES - continued

#### Deferred tax

Deferred taxation is provided in full on timing differences which represent a liability at the balance sheet 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 is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets and liabilities are not discounted.

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

### 2. TURNOVER

The turnover and loss (2014 - profit) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

|                           | 2015<br>£         | 2014<br>£         |
|---------------------------|-------------------|-------------------|
| Course and related income | 25,121,691        | 24,344,556        |
| Accommodation income      | 9,775,219         | 9,433,496         |
| Other sales               | 507,869           | 637,612           |
| Pathway income            | 2,861,615         | 1,521,445         |
|                           | <u>38,266,394</u> | <u>35,937,109</u> |

An analysis of turnover by geographical market is given below:

|                          | 2015<br>£         | 2014<br>£         |
|--------------------------|-------------------|-------------------|
| United Kingdom           | 25,094,720        | 25,589,467        |
| United States of America | 13,171,674        | 10,347,642        |
|                          | <u>38,266,394</u> | <u>35,937,109</u> |

### 3. STAFF COSTS

|                       | 2015<br>£         | 2014<br>£        |
|-----------------------|-------------------|------------------|
| Wages and salaries    | 10,521,174        | 9,319,967        |
| Social security costs | 128,123           | 103,267          |
| Other pension costs   | 130,579           | 65,229           |
|                       | <u>10,779,876</u> | <u>9,488,463</u> |

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

|                             | 2015       | 2014       |
|-----------------------------|------------|------------|
| Teaching and administration | <u>596</u> | <u>502</u> |



**PRIME EDUCATION AND TRAINING LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

|                          | 2015          | 2014           |
|--------------------------|---------------|----------------|
|                          | £             | £              |
| Bank interest            | 605           | 1,546          |
| Bank loan interest       | 107,737       | 106,364        |
| Exchange rate difference | (18,756)      | (8,523)        |
| Other interest payable   | -             | 2,039          |
|                          | <u>89,586</u> | <u>101,426</u> |

**5. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The loss on ordinary activities (2014 - profit on ordinary activities) is stated after charging:

|                                   | 2015          | 2014          |
|-----------------------------------|---------------|---------------|
|                                   | £             | £             |
| Other operating leases            | 1,025,453     | 978,239       |
| Depreciation - owned assets       | 593,497       | 542,010       |
| Loss on disposal of fixed assets  | 142,417       | -             |
| Goodwill amortisation             | 238,450       | 253,441       |
| Patents and licences amortisation | 8,841         | 8,438         |
| Development costs amortisation    | 800           | 764           |
| Auditors' remuneration            | 66,910        | 51,900        |
|                                   | <u>24,084</u> | <u>23,661</u> |
| Directors' remuneration           |               |               |

**6. TAXATION**

**Analysis of the tax charge**

The tax charge on the loss on ordinary activities for the year was as follows:

|   | 2015            | 2014           |
|---|-----------------|----------------|
|   | £               | £              |
| Current tax:                                |                 |                |
| UK corporation tax                          | 79,738          | -              |
| Prior year taxation                         | 5,296           | (3,157)        |
| US taxes                                    | 38,123          | 81,289         |
| Total current tax                           | <u>123,157</u>  | <u>78,132</u>  |
| Deferred tax                                | <u>(71,712)</u> | <u>30,158</u>  |
| Tax on (loss)/profit on ordinary activities | <u>51,445</u>   | <u>108,290</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2015

### Reconciliation of total tax charge included in profit and loss

|   | 2015      | 2014     |
|---|-----------|----------|
|   | £         | £        |
| (Loss)/profit on ordinary activities before tax   | (158,829) | 262,221  |
| (Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 - 20%) | (31,766)  | 52,444   |
| Effects of:   |           |          |
| Expenses not deductible for tax purposes  | 4,198     | 647      |
| Depreciation  | 87,712    | 85,968   |
| Capital allowances  | (73,339)  | (98,679) |
| taxation  |           |          |
| Prior year adjustments  | 5,296     | (3,157)  |
| Other adjustments   | -         | (77,962) |
| US tax adjustment   | 70,676    | 149,029  |
| Marginal rate of tax effect   | 8,026     | -        |
| Loss carried forward  | (19,358)  | -        |
| Total tax charge  | 51,445    | 108,290  |

|                            |                | 2015             |                |
|----------------------------|----------------|------------------|----------------|
|                            | Gross<br>£     | Tax<br>£         | Net<br>£       |
| Foreign exchange movements | (60,338)       | -                | (60,338)       |
| Revaluation of licence     | 355,202        | -                | 355,202        |
|                            | <u>294,864</u> | <u>-</u>         | <u>294,864</u> |
|                            |                |                  |                |
|                            | Gross<br>£     | 2014<br>Tax<br>£ | Net<br>£       |
| Revaluation reserve        | 45,778         | -                | 45,778         |
|                            | <u>45,778</u>  | <u>-</u>         | <u>45,778</u>  |

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £400,088 (2014 - £435,436).

**PRIME EDUCATION AND TRAINING LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**8. DIVIDENDS**

|                                       | 2015<br>£      | 2014<br>£      |
|---------------------------------------|----------------|----------------|
| Ordinary A shares of £1 each<br>Final | 133,106        | 115,688        |
| Ordinary B shares of £1 each<br>Final | 107,765        | 124,439        |
| Ordinary C shares of £1 each<br>Final | 109,296        | 117,115        |
|                                       | <u>350,167</u> | <u>357,242</u> |

**9. PRIOR YEAR ADJUSTMENT**

The amount in 2014 relates to an adjustment to income from a related party not recognised in the previous year.

**10. INTANGIBLE FIXED ASSETS**

**Group**

|                          | Goodwill<br>£    | Patents<br>and<br>licences<br>£ | Development<br>costs<br>£ | Totals<br>£      |
|--------------------------|------------------|---------------------------------|---------------------------|------------------|
| <b>COST OR VALUATION</b> |                  |                                 |                           |                  |
| At 1 January 2015        | 2,536,515        | 84,380                          | 11,448                    | 2,632,343        |
| Disposals                | (149,830)        | 1                               | -                         | (149,829)        |
| Revaluations             | -                | 355,202                         | -                         | 355,202          |
| At 31 December 2015      | <u>2,386,685</u> | <u>439,583</u>                  | <u>11,448</u>             | <u>2,837,716</u> |
| <b>AMORTISATION</b>      |                  |                                 |                           |                  |
| At 1 January 2015        | 255,585          | 8,438                           | 4,625                     | 268,648          |
| Amortisation for year    | 238,450          | 8,841                           | 800                       | 248,091          |
| Eliminated on disposal   | (29,666)         | -                               | -                         | (29,666)         |
| At 31 December 2015      | <u>464,369</u>   | <u>17,279</u>                   | <u>5,425</u>              | <u>487,073</u>   |
| <b>NET BOOK VALUE</b>    |                  |                                 |                           |                  |
| At 31 December 2015      | <u>1,922,316</u> | <u>422,304</u>                  | <u>6,023</u>              | <u>2,350,643</u> |
| At 31 December 2014      | <u>2,280,930</u> | <u>75,942</u>                   | <u>6,823</u>              | <u>2,363,695</u> |

Cost or valuation at 31 December 2015 is represented by:

|                   | Goodwill<br>£    | Patents<br>and<br>licences<br>£ | Development<br>costs<br>£ | Totals<br>£      |
|-------------------|------------------|---------------------------------|---------------------------|------------------|
| Valuation in 2015 | -                | 355,203                         | -                         | 355,203          |
| Cost              | 2,386,685        | 84,380                          | 11,448                    | 2,482,513        |
|                   | <u>2,386,685</u> | <u>439,583</u>                  | <u>11,448</u>             | <u>2,837,716</u> |

**PRIME EDUCATION AND TRAINING LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**10. INTANGIBLE FIXED ASSETS - continued**

| <b>Company</b>        | <b>Goodwill<br/>£</b> |
|-----------------------|-----------------------|
| <b>COST</b>           |                       |
| At 1 January 2015     |                       |
| and 31 December 2015  | <u>2,144</u>          |
| <b>AMORTISATION</b>   |                       |
| At 1 January 2015     |                       |
| and 31 December 2015  | <u>2,144</u>          |
| <b>NET BOOK VALUE</b> |                       |
| At 31 December 2015   | <u>-</u>              |
| At 31 December 2014   | <u>-</u>              |

**11. TANGIBLE FIXED ASSETS**

| <b>Group</b>             | <b>Freehold<br/>property<br/>£</b> | <b>Short<br/>leasehold<br/>£</b> | <b>Freehold<br/>land<br/>£</b> |
|--------------------------|------------------------------------|----------------------------------|--------------------------------|
| <b>COST OR VALUATION</b> |                                    |                                  |                                |
| At 1 January 2015        | 2,741,189                          | 2,169,407                        | 1,730,000                      |
| Additions                | <u>243,635</u>                     | <u>919,936</u>                   | <u>-</u>                       |
| At 31 December 2015      | <u>2,984,824</u>                   | <u>3,089,343</u>                 | <u>1,730,000</u>               |
| <b>DEPRECIATION</b>      |                                    |                                  |                                |
| At 1 January 2015        | 26,968                             | 328,093                          | -                              |
| Charge for year          | <u>26,968</u>                      | <u>137,415</u>                   | <u>-</u>                       |
| Eliminated on disposal   | -                                  | -                                | -                              |
| At 31 December 2015      | <u>53,936</u>                      | <u>465,508</u>                   | <u>-</u>                       |
| <b>NET BOOK VALUE</b>    |                                    |                                  |                                |
| At 31 December 2015      | <u>2,930,888</u>                   | <u>2,623,835</u>                 | <u>1,730,000</u>               |
| At 31 December 2014      | <u>2,714,221</u>                   | <u>1,841,314</u>                 | <u>1,730,000</u>               |

**PRIME EDUCATION AND TRAINING LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**11. TANGIBLE FIXED ASSETS - continued**

**Group**

|                          | Fixtures<br>and<br>fittings<br>£ | Computer<br>equipment<br>£ | Totals<br>£ |
|--------------------------|----------------------------------|----------------------------|-------------|
| <b>COST OR VALUATION</b> |                                  |                            |             |
| At 1 January 2015        | 1,307,431                        | 1,064,221                  | 9,012,248   |
| Additions                | 171,423                          | 229,794                    | 1,564,788   |
| Disposals                | (3,787)                          | -                          | (3,787)     |
| At 31 December 2015      | 1,475,067                        | 1,294,015                  | 10,573,249  |
| <b>DEPRECIATION</b>      |                                  |                            |             |
| At 1 January 2015        | 752,500                          | 572,702                    | 1,680,263   |
| Charge for year          | 213,827                          | 215,287                    | 593,497     |
| Eliminated on disposal   | (3,787)                          | -                          | (3,787)     |
| At 31 December 2015      | 962,540                          | 787,989                    | 2,269,973   |
| <b>NET BOOK VALUE</b>    |                                  |                            |             |
| At 31 December 2015      | 512,527                          | 506,026                    | 8,303,276   |
| At 31 December 2014      | 554,931                          | 491,519                    | 7,331,985   |

Cost or valuation at 31 December 2015 is represented by:

|                   | Freehold<br>property<br>£ | Short<br>leasehold<br>£ | Freehold<br>land<br>£ |
|-------------------|---------------------------|-------------------------|-----------------------|
| Valuation in 2013 | 385,162                   | -                       | 1,730,000             |
| Cost              | 2,599,662                 | 3,089,343               | -                     |
|                   | 2,984,824                 | 3,089,343               | 1,730,000             |

|                   | Fixtures<br>and<br>fittings<br>£ | Computer<br>equipment<br>£ | Totals<br>£ |
|-------------------|----------------------------------|----------------------------|-------------|
| Valuation in 2013 | -                                | -                          | 2,115,162   |
| Cost              | 1,475,067                        | 1,294,015                  | 8,458,087   |
|                   | 1,475,067                        | 1,294,015                  | 10,573,249  |

**PRIME EDUCATION AND TRAINING LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**11. TANGIBLE FIXED ASSETS - continued**

**Company**

|                       | Fixtures<br>and<br>fittings<br>£ | Computer<br>equipment<br>£ | Totals<br>£    |
|-----------------------|----------------------------------|----------------------------|----------------|
| <b>COST</b>           |                                  |                            |                |
| At 1 January 2015     | 38,437                           | 185,625                    | 224,062        |
| Additions             | 3,068                            | 91,897                     | 94,965         |
|                       | <u>41,505</u>                    | <u>277,522</u>             | <u>319,027</u> |
| At 31 December 2015   |                                  |                            |                |
| <b>DEPRECIATION</b>   |                                  |                            |                |
| At 1 January 2015     | 20,169                           | 126,913                    | 147,082        |
| Charge for year       | 5,493                            | 33,144                     | 38,637         |
|                       | <u>25,662</u>                    | <u>160,057</u>             | <u>185,719</u> |
| At 31 December 2015   |                                  |                            |                |
| <b>NET BOOK VALUE</b> |                                  |                            |                |
| At 31 December 2015   | <u>15,843</u>                    | <u>117,465</u>             | <u>133,308</u> |
| At 31 December 2014   | <u>18,268</u>                    | <u>58,712</u>              | <u>76,980</u>  |

## PRIME EDUCATION AND TRAINING LTD

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2015

#### 12. FIXED ASSET INVESTMENTS

The following investments were held at the year end:

##### **Touchload Limited**

Nature of business: Education

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100     |

##### **Kings Colleges Limited**

Nature of business: Education

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100     |

##### **United Language Schools Limited**

Nature of business: Education

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100     |

##### **Prime Education & Training (USA) Limited**

Nature of business: Education      Location: United States of America

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100     |

##### **Kings Colleges (USA) LLC**

Nature of business: Education      Location: United States of America

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100     |

##### **Kings Colleges Boston LLC**

Nature of business: Education      Location: United States of America

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100     |

##### **Kings Colleges NY LLC**

Nature of business: Education      Location: United States of America

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100     |

##### **Kings Colleges Education Consulting (Shanghai) Co., Ltd**

Nature of business: Education      Location: China

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100     |

The following investments were disposed in the year:

##### **Human International USA Co. Limited**

Nature of business: Education      Location: United States of America

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100     |

**PRIME EDUCATION AND TRAINING LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**13. INVESTMENT PROPERTY - continued**

**13. INVESTMENT PROPERTY  
Company**

|                       | Total<br>£       |
|-----------------------|------------------|
| <b>FAIR VALUE</b>     |                  |
| At 1 January 2015     | 4,471,189        |
| Additions             | 243,635          |
|                       | <u>4,714,824</u> |
| At 31 December 2015   | <u>4,714,824</u> |
| <b>NET BOOK VALUE</b> |                  |
| At 31 December 2015   | <u>4,714,824</u> |
| At 31 December 2014   | <u>4,471,189</u> |

Cost or valuation at 31 December 2015 is represented by:

|                   | £                |
|-------------------|------------------|
| Valuation in 2013 | 485,214          |
| Cost              | 4,229,610        |
|                   | <u>4,714,824</u> |

**14. STOCKS**

|                | Group        | 2014          |
|----------------|--------------|---------------|
|                | 2015<br>£    | £             |
| Finished goods | <u>3,446</u> | <u>11,379</u> |

**15. DEBTORS**

|   | Group            |                  | Company        |                |
|---|------------------|------------------|----------------|----------------|
|   | 2015<br>£        | 2014<br>£        | 2015<br>£      | 2014<br>£      |
| Amounts falling due within one year:          |                  |                  |                |                |
| Trade debtors                                 | 2,463,559        | 2,436,021        | 67,345         | -              |
| Other debtors                                 | 184,101          | 153,379          | 10,041         | 10,239         |
| Project costs                                 | 34,175           | 20,070           | 34,175         | 20,070         |
| Tax   | 134,904          | 4                | -              | 4              |
| Prepayments                                   | 681,551          | 705,673          | 299,979        | 284,278        |
|   | <u>3,498,290</u> | <u>3,315,147</u> | <u>411,540</u> | <u>314,591</u> |
| Amounts falling due after more than one year: |                  |                  |                |                |
| Other debtors                                 | <u>310,904</u>   | <u>415,695</u>   | <u>-</u>       | <u>-</u>       |
| Aggregate amounts                             | <u>3,809,194</u> | <u>3,730,842</u> | <u>411,540</u> | <u>314,591</u> |



**PRIME EDUCATION AND TRAINING LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|   | <b>Group</b>      |                   | <b>Company</b>   |                  |
|---|-------------------|-------------------|------------------|------------------|
|   | 2015              | 2014              | 2015             | 2014             |
|   | £                 | £                 | £                | £                |
| Bank loans and overdrafts (see note 18) | 266,253           | 214,370           | 256,743          | 214,370          |
| Payments on account                     | 4,473,812         | 3,814,098         | -                | -                |
| Trade creditors                         | 304,440           | 370,910           | 124,711          | 134,527          |
| Amounts owed to group undertakings      | -                 | -                 | 3,140,238        | 2,676,486        |
| Tax                                     | 79,181            | -                 | 42,995           | -                |
| Social security and other taxes         | 186,889           | 189,859           | 33,355           | 18,042           |
| VAT                                     | 96,641            | 137,751           | -                | -                |
| Other creditors                         | 1,168,084         | 1,359,219         | 58,291           | 966              |
| Deferred income                         | 6,897,917         | 6,741,500         | -                | -                |
| Accrued expenses                        | 510,364           | 282,859           | 48,656           | 106,486          |
|   | <u>13,983,581</u> | <u>13,110,566</u> | <u>3,704,989</u> | <u>3,150,877</u> |

**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                          | <b>Group</b>     |                  | <b>Company</b>   |                  |
|--------------------------|------------------|------------------|------------------|------------------|
|                          | 2015             | 2014             | 2015             | 2014             |
|                          | £                | £                | £                | £                |
| Bank loans (see note 18) | <u>3,183,190</u> | <u>3,278,537</u> | <u>3,183,190</u> | <u>3,278,537</u> |

**18. LOANS**

An analysis of the maturity of loans is given below:

|   | <b>Group</b>     |                  | <b>Company</b>   |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2015             | 2014             | 2015             | 2014             |
|   | £                | £                | £                | £                |
| Amounts falling due within one year or on demand: |                  |                  |                  |                  |
| Bank overdrafts                                   | 9,510            | -                | -                | -                |
| Bank loans  | <u>256,743</u>   | <u>214,370</u>   | <u>256,743</u>   | <u>214,370</u>   |
|   | <u>266,253</u>   | <u>214,370</u>   | <u>256,743</u>   | <u>214,370</u>   |
| Amounts falling due between one and two years:    |                  |                  |                  |                  |
| Bank loans - 1-2 years                            | <u>256,743</u>   | <u>214,370</u>   | <u>256,743</u>   | <u>214,370</u>   |
| Amounts falling due between two and five years:   |                  |                  |                  |                  |
| Bank loans - 2-5 years                            | <u>770,229</u>   | <u>643,109</u>   | <u>770,229</u>   | <u>643,109</u>   |
| Amounts falling due in more than five years:      |                  |                  |                  |                  |
| Repayable by instalments                          |                  |                  |                  |                  |
| Bank loans more 5 yr by instal                    | <u>2,156,218</u> | <u>2,421,058</u> | <u>2,156,218</u> | <u>2,421,058</u> |

**PRIME EDUCATION AND TRAINING LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**19. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

**Company**

|                            | 2015          | 2014          |
|----------------------------|---------------|---------------|
|                            | £             | £             |
| Within one year            | 2,100         | 2,100         |
| Between one and five years | 55,000        | 30,000        |
|                            | <u>57,100</u> | <u>32,100</u> |

**20. SECURED DEBTS**

The following secured debts are included within creditors:

|            | <b>Group</b>     |                  | <b>Company</b>   |                  |
|------------|------------------|------------------|------------------|------------------|
|            | 2015             | 2014             | 2015             | 2014             |
|            | £                | £                | £                | £                |
| Bank loans | <u>3,439,933</u> | <u>3,492,907</u> | <u>3,439,933</u> | <u>3,492,907</u> |

The bank loan is secured by way of debenture over the assets of the Company.

**21. PROVISIONS FOR LIABILITIES**

|              | <b>Group</b>  |                | <b>Company</b> |                |
|--------------|---------------|----------------|----------------|----------------|
|              | 2015          | 2014           | 2015           | 2014           |
|              | £             | £              | £              | £              |
| Deferred tax | <u>70,514</u> | <u>142,227</u> | <u>76,137</u>  | <u>149,873</u> |

**Group**

|   | Deferred tax<br>£ |
|---|-------------------|
| Balance at 1 January 2015                               | 142,227           |
| Credit to Statement of Comprehensive Income during year | (71,713)          |
| Balance at 31 December 2015                             | <u>70,514</u>     |

**Company**

|   | Deferred tax<br>£ |
|---|-------------------|
| Balance at 1 January 2015                               | 149,873           |
| Credit to Statement of Comprehensive Income during year | (73,736)          |
| Charge/(credit) to revaluation                          |                   |
| Balance at 31 December 2015                             | <u>76,137</u>     |

**PRIME EDUCATION AND TRAINING LTD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**22. CALLED UP SHARE CAPITAL**

| Allotted and issued: |            | Nominal<br>value: | 2015         | 2014         |
|----------------------|------------|-------------------|--------------|--------------|
| Number:              | Class:     |                   | £            | £            |
| 300                  | Ordinary A | £1                | 300          | 300          |
| 300                  | Ordinary B | £1                | 300          | 300          |
| 200                  | Ordinary C | £1                | 200          | 200          |
| 200                  | Ordinary D | £1                | 200          | 200          |
|                      |            |                   | <u>1,000</u> | <u>1,000</u> |

**23. RESERVES**

**Group**

|  | Retained<br>earnings<br>£ | Revaluation<br>reserve<br>£ | Totals<br>£      |
|--|---------------------------|-----------------------------|------------------|
| At 1 January 2015                        | 851,300                   | 474,170                     | 1,325,470        |
| Deficit for the year                     | (210,274)                 | -                           | (210,274)        |
| Dividends                                | (350,167)                 | -                           | (350,167)        |
| Revaluation                              | 1,831                     | 355,202                     | 357,033          |
| Surplus on revaluation of<br>investments | (8,487)                   | -                           | (8,487)          |
| Foreign currency translation<br>account  | (53,682)                  | -                           | (53,682)         |
| At 31 December 2015                      | <u>230,521</u>            | <u>829,372</u>              | <u>1,059,893</u> |

**Company**

|                     | Retained<br>earnings<br>£ | Revaluation<br>reserve<br>£ | Totals<br>£    |
|---------------------|---------------------------|-----------------------------|----------------|
| At 1 January 2015   | 122,029                   | 699,548                     | 821,577        |
| Profit for the year | 400,088                   | -                           | 400,088        |
| Dividends           | (350,167)                 | -                           | (350,167)      |
| At 31 December 2015 | <u>171,950</u>            | <u>699,548</u>              | <u>871,498</u> |

**24. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group. Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

The directors of Prime Education and Training Limited have effective control of Kings Colleges (USA) Limited, a company incorporated in USA. In 2014 the trade and assets of Kings Colleges (USA) Limited were transferred to Kings Colleges (USA) LLC, a wholly owned subsidiary of the group, at book value.

As at year end, the group was owed £210,087 (2014: £299,295 by Kings Colleges (USA) Limited. This amount has been disclosed as an other debtor with £99,765 in current debtors and £110,322 in long-term debtors per the servicing agreement on the debt.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**25. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is N Pamplin, A Hutchinson, A Green & J Flores.

This was by virtue of their 100% holding of the issued share capital.

**26. ACCOUNTING BASIS**

As stated in the accounting policy note, these financial statements have been prepared on the basis that the group will continue to be a going concern. Current liabilities exceeded current assets by £6,339,322

The group utilises cash it generates from operations as working capital. The directors have assessed the risk of this source of finance not being available as remote. As such, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing these financial statements.

**PRIME EDUCATION AND TRAINING LTD**

**RECONCILIATION OF EQUITY**

**1 JANUARY 2014**

**(DATE OF TRANSITION TO FRS 102)**

|  | Notes | UK<br>GAAP<br>£    | Effect of<br>transition<br>to FRS 102<br>£ | FRS 102<br>£       |
|--|-------|--------------------|--|--------------------|
| <b>FIXED ASSETS</b>                              |       |                    |  |                    |
| Intangible assets                                | 1     | 2,617,132          | -  | 2,617,132          |
| Tangible assets                                  |       | 6,613,297          | -  | 6,613,297          |
|  |       | <u>9,230,429</u>   | <u>-</u>                                   | <u>9,230,429</u>   |
| <b>CURRENT ASSETS</b>                            |       |                    |  |                    |
| Stocks   |       | 19,201             | -  | 19,201             |
| Debtors  |       | 3,532,050          | -  | 3,532,050          |
| Cash at bank and in hand                         |       | 2,373,161          | -  | 2,373,161          |
|  |       | <u>5,924,412</u>   | <u>-</u>                                   | <u>5,924,412</u>   |
| <b>CREDITORS</b>                                 |       |                    |  |                    |
| Amounts falling due within one year              |       | (10,364,247)       | -  | (10,364,247)       |
| <b>NET CURRENT LIABILITIES</b>                   |       | <u>(4,439,835)</u> | <u>-</u>                                   | <u>(4,439,835)</u> |
| <b>TOTAL ASSETS LESS CURRENT<br/>LIABILITIES</b> |       | 4,790,594          | -  | 4,790,594          |
| <b>CREDITORS</b>                                 |       |                    |  |                    |
| Amounts falling due after more than one<br>year  |       | (3,194,523)        | -  | (3,194,523)        |
| <b>PROVISIONS FOR LIABILITIES</b>                | 2     | (35,036)           | (77,032)                                   | (112,068)          |
| <b>NET ASSETS</b>                                |       | <u>1,561,035</u>   | <u>(77,032)</u>                            | <u>1,484,003</u>   |
| <b>CAPITAL AND RESERVES</b>                      |       |                    |  |                    |
| Called up share capital                          |       | 1,000              | -  | 1,000              |
| Revaluation reserve                              | 3     | 505,424            | (77,032)                                   | 428,392            |
| Retained earnings                                | 4     | 1,054,611          | -  | 1,054,611          |
| <b>SHAREHOLDERS' FUNDS</b>                       |       | <u>1,561,035</u>   | <u>(77,032)</u>                            | <u>1,484,003</u>   |

The notes form part of these financial statements

**PRIME EDUCATION AND TRAINING LTD**

**RECONCILIATION OF EQUITY - continued**  
**31 DECEMBER 2014**

|  | Notes | UK<br>GAAP<br>£    | Effect of<br>transition<br>to FRS 102<br>£ | FRS 102<br>£       |
|--|-------|--------------------|--|--------------------|
| <b>FIXED ASSETS</b>                          |       |                    |  |                    |
| Intangible assets                            | 1     | 2,620,889          | (257,194)                                  | 2,363,695          |
| Tangible assets                              |       | 7,331,985          | -  | 7,331,985          |
|  |       | <u>9,952,874</u>   | <u>(257,194)</u>                           | <u>9,695,680</u>   |
| <b>CURRENT ASSETS</b>                        |       |                    |  |                    |
| Stocks                                       |       | 11,379             | -  | 11,379             |
| Debtors                                      |       | 3,730,842          | -  | 3,730,842          |
| Cash at bank and in hand                     |       | 4,419,899          | -  | 4,419,899          |
|  |       | <u>8,162,120</u>   | <u>-</u>                                   | <u>8,162,120</u>   |
| <b>CREDITORS</b>                             |       |                    |  |                    |
| Amounts falling due within one year          |       | (13,110,566)       | -  | (13,110,566)       |
| <b>NET CURRENT LIABILITIES</b>               |       | <u>(4,948,446)</u> | <u>-</u>                                   | <u>(4,948,446)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | 5,004,428          | (257,194)                                  | 4,747,234          |
| <b>CREDITORS</b>                             |       |                    |  |                    |
| Amounts falling due after more than one year |       | (3,278,537)        | -  | (3,278,537)        |
| <b>PROVISIONS FOR LIABILITIES</b>            | 2     | <u>(65,195)</u>    | <u>(77,032)</u>                            | <u>(142,227)</u>   |
| <b>NET ASSETS</b>                            |       | <u>1,660,696</u>   | <u>(334,226)</u>                           | <u>1,326,470</u>   |
| <b>CAPITAL AND RESERVES</b>                  |       |                    |  |                    |
| Called up share capital                      |       | 1,000              | -  | 1,000              |
| Revaluation reserve                          | 3     | 551,202            | (77,032)                                   | 474,170            |
| Retained earnings                            | 4     | 1,108,494          | (257,194)                                  | 851,300            |
| <b>SHAREHOLDERS' FUNDS</b>                   |       | <u>1,660,696</u>   | <u>(334,226)</u>                           | <u>1,326,470</u>   |

The notes form part of these financial statements

**PRIME EDUCATION AND TRAINING LTD**

**RECONCILIATION OF EQUITY - continued**  
**31 DECEMBER 2014**

**Notes to the reconciliation of equity**

**1: INTANGIBLE ASSETS**

|                        | Intangibles UK GAAP<br>£ | Effect of FRS 102<br>£ | Intangibles FRS 102<br>£ |
|------------------------|--------------------------|------------------------|--------------------------|
| <b>Cost</b>            |                          |                        |                          |
| As at 1 January 2014   | 2,617,132                | -                      | 2,617,132                |
| Exchange differences   | 3,757                    | -                      | 3,757                    |
| As at 31 December 2014 | 2,620,889                | -                      | 2,620,889                |
| <b>Amortisation</b>    |                          |                        |                          |
| At 1 January 2014      | -                        | -                      | -                        |
| Amortisation for year  | -                        | 257,194                | 257,194                  |
| At 31 December 2014    | 2,620,889                | 257,194                | 257,194                  |
| <b>Net Book Value</b>  |                          |                        |                          |
| At 31 December 2014    | 2,620,889                | (257,194)              | 2,363,695                |
| At 1 January 2014      | 2,617,132                | -                      | 2,617,132                |

Under UK GAAP, amortisation was provided at the following annual rates in order to write off each asset over its estimated useful life:

Patents and licences - no amortisation provided  
 Goodwill - no amortisation provided

Annual impairment reviews were held on the intangible assets under this model.

Under FRS 102, amortisation is provided at the following rates in order to write off each asset over its estimated useful life:

Patents and licences - over 10 years  
 Goodwill - over 10 years

**2: PROVISIONS FOR LIABILITIES**

|                             | Deferred Tax UK GAAP<br>£ | Effect of FRS 102<br>£ | Deferred Tax FRS 102<br>£ |
|-----------------------------|---------------------------|------------------------|---------------------------|
| Balance at 1 January 2014   | (35,036)                  | (77,032)               | (112,068)                 |
| Charge to reserves          | (30,159)                  | -                      | (30,159)                  |
| Balance at 31 December 2014 | (65,195)                  | (77,032)               | (142,227)                 |

Under the previous accounting standards, deferred tax was only recognised on revaluation gains where there was an obligation to sell the asset. Under FRS 102, deferred tax is recognised on all revaluation gains. Consequentially, a deferred tax provision has been accrued with a corresponding charge to the revaluation reserve (note 3).

**3: REVALUATION RESERVE**

|                             | Revaluation reserve UK<br>GAAP<br>£ | Effect of FRS 102<br>£ | Revaluation reserve FRS<br>102<br>£ |
|-----------------------------|-------------------------------------|------------------------|-------------------------------------|
| Balance at 1 January 2014   | 505,424                             | (77,032)               | 428,392                             |
| Other comprehensive income  | 45,778                              | -                      | 45,778                              |
| Balance at 31 December 2014 | 551,202                             | (77,032)               | 474,170                             |

As above, a deferred tax charge has been recognised in the revaluation reserve in respect of the revaluation gains under FRS 102.

The notes form part of these financial statements

**PRIME EDUCATION AND TRAINING LTD**

**RECONCILIATION OF EQUITY - continued**  
**31 DECEMBER 2014**

**4: RETAINED EARNINGS**

|                             | Retained Earnings UK<br>GAAP<br>£ | Effect of FRS 102<br>£ | Retained Earnings FRS<br>102<br>£ |
|-----------------------------|-----------------------------------|------------------------|-----------------------------------|
| Balance at 1 January 2014   | 1,054,611                         | -                      | 1,054,611                         |
| Profit for year             | 411,125                           | (257,194)              | 153,931                           |
| Dividends                   | (357,242)                         | -                      | (357,242)                         |
| Balance at 31 December 2014 | <u>1,108,494</u>                  | <u>(257,194)</u>       | <u>851,300</u>                    |

Accumulated amortisation of goodwill was recognised on transition. Adjustments made to profit for the year to 31 December 2014 are detailed in the Reconciliation of Profit and Loss.



**PRIME EDUCATION AND TRAINING LTD**

**RECONCILIATION OF PROFIT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

|  | <b>UK<br/>GAAP<br/>£</b> | <b>Effect of<br/>transition<br/>to FRS 102<br/>£</b> | <b>FRS 102<br/>£</b> |
|--|--------------------------|--|----------------------|
| <b>TURNOVER</b>  | 35,937,109               | -  | 35,937,109           |
| Cost of sales  | (27,800,839)             | -  | (27,800,839)         |
| <b>GROSS PROFIT</b>                                      | 8,136,270                | -  | 8,136,270            |
| Administrative expenses                                  | (7,559,311)              | (257,194)  | (7,816,505)          |
| Other operating income                                   | 43,131                   | -  | 43,131               |
| <b>OPERATING PROFIT</b>                                  | 620,090                  | (257,194)  | 362,896              |
| Interest receivable and similar income                   | 751                      | -  | 751                  |
| Interest payable and similar charges                     | (101,426)                | -  | (101,426)            |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> | 519,415                  | (257,194)  | 262,221              |
| Tax on profit on ordinary activities                     | (108,290)                | -  | (108,290)            |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                     | 411,125                  | (257,194)  | 153,931              |
| Profit attributable to:<br>Owners of the parent          | 411,125                  | (257,194)  | 153,931              |

**Notes to the reconciliation of profit or loss**

The increase in Administrative expenses of £257,194 is equal to the amount charged as amortisation of intangible assets as disclosed in note 1 on the reconciliation of equity.

There were no other adjustments to profit for the year.

**PRIME EDUCATION AND TRAINING LTD**

**CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

|                               | 2015       |                   | 2014      |                   |
|-------------------------------|------------|-------------------|-----------|-------------------|
|                               | £          | £                 | £         | £                 |
| <b>Sales</b>                  |            | 38,266,394        |           | 35,937,109        |
| <b>Cost of sales</b>          |            |                   |           |                   |
| Educational licence fees      | -          |                   | 13,283    |                   |
| Marketing                     | 2,624,030  |                   | 2,464,124 |                   |
| Activities and excursions     | 500,425    |                   | 520,058   |                   |
| Transport and transfers       | 536,464    |                   | 574,543   |                   |
| Accommodation and subsistence | 10,272,151 |                   | 9,976,008 |                   |
| Teaching materials            | 888,784    |                   | 864,480   |                   |
| Student recruitment costs     | 8,146,436  |                   | 7,401,125 |                   |
| Teachers salaries             | 6,409,740  |                   | 5,969,722 |                   |
| Pensions                      | 58,863     |                   | 17,496    |                   |
|                               |            | <u>29,436,893</u> |           | <u>27,800,839</u> |
| <b>GROSS PROFIT</b>           |            | 8,829,501         |           | 8,136,270         |
| <b>Other income</b>           |            |                   |           |                   |
| Sundry receipts               | 95,547     |                   | 43,131    |                   |
| Deposit account interest      | 133        |                   | 747       |                   |
| Interest on taxation          | -          |                   | 4         |                   |
|                               |            | <u>95,680</u>     |           | <u>43,882</u>     |
|                               |            | 8,925,181         |           | 8,180,152         |
| <b>Expenditure</b>            |            |                   |           |                   |
| Rent                          | 1,024,733  |                   | 947,846   |                   |
| Rates and water               | 222,627    |                   | 202,863   |                   |
| Insurance                     | 110,834    |                   | 54,081    |                   |
| Light and heat                | 174,986    |                   | 178,842   |                   |
| Repairs and maintenance       | 138,364    |                   | 151,094   |                   |
| Directors' salaries           | 24,084     |                   | 23,661    |                   |
| Directors' social security    | 4,464      |                   | 4,126     |                   |
| Wages                         | 4,087,350  |                   | 3,326,584 |                   |
| Social security               | 123,659    |                   | 99,141    |                   |
| Pensions                      | 71,716     |                   | 47,733    |                   |
| Other operating leases        | 720        |                   | 30,393    |                   |
| Computer costs                | 189,948    |                   | 161,889   |                   |
| Telephone                     | 159,343    |                   | 152,004   |                   |
| Post and stationery           | 158,329    |                   | 169,230   |                   |
| Advertising                   | 99,484     |                   | 272,328   |                   |
| Travelling                    | 162,435    |                   | 154,063   |                   |
| Student and staff welfare     | 85,634     |                   | 125,486   |                   |
| Household and cleaning        | 275,191    |                   | 243,518   |                   |
| Sundry expenses               | 134,571    |                   | 9,279     |                   |
| Subscriptions                 | 119,242    |                   | 91,411    |                   |
| Accountancy                   | 76,364     |                   | 64,716    |                   |
| Professional fees             | 39,795     |                   | 80,314    |                   |
| Legal fees                    | 146,322    |                   | 94,569    |                   |
| Auditors' remuneration        | 66,910     |                   | 51,900    |                   |
| Entertainment                 | 32,892     |                   | 10,704    |                   |
| Bad debts                     | 36,882     |                   | 48,003    |                   |
| Staff training                | 118,613    |                   | 103,759   |                   |
| Donations                     | -          |                   | 177       |                   |
|                               |            | <u>7,885,492</u>  |           | <u>6,899,714</u>  |
| <b>Carried forward</b>        |            | 1,039,689         |           | 1,280,438         |

This page does not form part of the statutory financial statements

**PRIME EDUCATION AND TRAINING LTD**

**CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

|   | 2015     |                  | 2014    |                |
|---|----------|------------------|---------|----------------|
|   | £        | £                | £       | £              |
| Brought forward                         |          | 1,039,689        |         | 1,280,438      |
| <b>Finance costs</b>                    |          |                  |         |                |
| Bank charges                            | 129,474  |                  | 121,609 |                |
| Bank interest                           | 605      |                  | 1,546   |                |
| Bank loan interest                      | 107,737  |                  | 106,364 |                |
| Exchange rate difference                | (18,756) |                  | (8,523) |                |
| Other interest payable                  | -        |                  | 2,039   |                |
|   |          | 219,060          |         | 223,035        |
|   |          | 820,629          |         | 1,057,403      |
| <b>Depreciation</b>                     |          |                  |         |                |
| Goodwill                                | 237,839  |                  | 252,322 |                |
| Patents and licences                    | 8,578    |                  | 7,961   |                |
| Development costs                       | 776      |                  | -       |                |
| Freehold property                       | 26,968   |                  | 26,968  |                |
| Short leasehold                         | 135,912  |                  | 137,300 |                |
| Fixtures and fittings                   | 212,710  |                  | 203,014 |                |
| Computer equipment                      | 214,258  |                  | 167,617 |                |
|   |          | 837,041          |         | 795,182        |
|   |          | (16,412)         |         | 262,221        |
| <b>Loss on disposal of fixed assets</b> |          |                  |         |                |
| Loss on disposals                       |          | 142,417          |         | -              |
| <b>NET (LOSS)/PROFIT</b>                |          | <u>(158,829)</u> |         | <u>262,221</u> |

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