

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

FOR

PRIME EDUCATION AND TRAINING LTD

THURSDAY



A4BQC2F6

A24

16/07/2015

#89

COMPANIES HOUSE

PRIME EDUCATION AND TRAINING LTD

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	5
Consolidated Profit and Loss Account	6
Consolidated Statement of Total Recognised Gains and Losses	7
Consolidated Balance Sheet	8
Company Balance Sheet	9
Consolidated Cash Flow Statement	10
Notes to the Consolidated Cash Flow Statement	11
Notes to the Consolidated Financial Statements	13
Consolidated Trading and Profit and Loss Account	25

PRIME EDUCATION AND TRAINING LTD

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**

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 2014

The directors present their strategic report of the company and the group for the year ended 31 December 2014.

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 4 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.

Revenues were up 36% 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 and this division contributed 40% of the group's turnover.

Operating costs rose sharply during the year which caused a slight drop in profitability primarily due to continuing investment by the company in developing its US business and extending its Sales and Marketing base to provide a platform for future growth and profitability. Following the company's significant investment in sales and marketing and 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.

The entire business of Kings Colleges (USA) Limited, owned separately by the four Directors, was transferred to Kings Colleges (USA) LLC with effect from 1 January 2014

	2014 £'000	2013 £'000	Movement %
Turnover	35,937	26,352	36
Gross Profit	8,136	5,569	46
Profit before taxation	519	538	(3)

The Directors consider the balance sheet position of the company at year-end to be satisfactory, with shareholders funds increasing year on year.

Continuing investments in buildings and technology is reflected in the increase in tangible assets. 2014 saw a refurbishment of the Braidley Road School plus set-up costs for the new St Peters Quarter city centre teaching site which opened in the second half of the year.

Strong future bookings have contributed to higher trade debtor, payments on account, and deferred income balances.

Bank balances improvement year on year is driven by the highly profitable USA business with the UK schools showing modest growth too. Overall liquidity of the group has increased by 6% over prior year.

PRINCIPAL RISKS AND UNCERTAINTIES

Ongoing changes to government policy on student visas and accreditation continues to be a risk to the business. The risk to confidence in world-wide travel through acts of terrorism and conflict in various regions around the world 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.

The strength of sterling will likely weaken English Language course revenues in 2015 although academic revenues should continue to grow. The directors are confident that the business has a sufficient mix of revenues streams to offset downturns in certain areas.

The directors are confident that the group's business will continue to show an increase in revenues and profitability. As part of this plan the company is continuing to implement its strategy of diversifying its portfolio and to become less reliant on the UK.

PRIME EDUCATION AND TRAINING LTD

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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 we monitor all the bank balances and cash flows on a daily basis to ensure adequate funds are available to meet our creditor and bank covenant requirements. Our group bank position is regularly reviewed and we maintain a close working relationship with the bank to enable variations to the bank facilities can be accessed as and when required.

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.

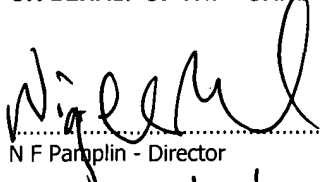
EMPLOYEES

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: 14/7/15

PRIME EDUCATION AND TRAINING LTD

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2014.

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 2014 will be £357,242.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2014 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.

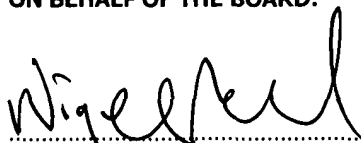
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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: 14/7/15
.....

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 2014 on pages six to twenty four. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

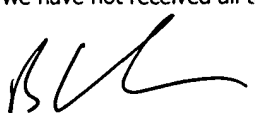
Opinion on other matter prescribed by the Companies Act 2006

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: 14/7/15

PRIME EDUCATION AND TRAINING LTD

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

		2014		2013 as restated	
	Notes	£	£	£	£
TURNOVER			35,937,109		26,352,618
Cost of sales			27,800,839		20,783,407
GROSS PROFIT			8,136,270		5,569,211
Administrative expenses			7,559,310		5,635,725
			576,960		(66,514)
Other operating income			42,037		748,683
OPERATING PROFIT			618,997		682,169
Income from interest in associated undertakings		1,093		-	
Interest receivable and similar income		751		39	
			1,844		39
			620,841		682,208
Interest payable and similar charges	3		101,426		144,078
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4		519,415		538,130
Tax on profit on ordinary activities	5		108,290		122,943
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP			411,125		415,187

CONTINUING OPERATIONS

All of the group's activities were continuing during the current year.

The notes form part of these financial statements

PRIME EDUCATION AND TRAINING LTD

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014	2013 as restated
	£	£
PROFIT FOR THE FINANCIAL YEAR	411,125	415,187
Unrealised surplus on revaluation of other items	45,778	20,210
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	456,903	435,397
Prior year adjustment	Note 8	
	87,885	(61,283)
	<hr/>	<hr/>
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT	<u>544,788</u>	<u>374,114</u>

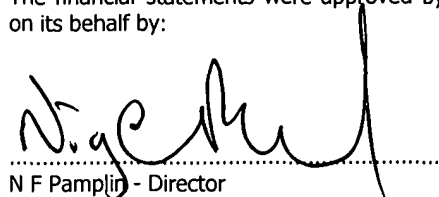
The notes form part of these financial statements

PRIME EDUCATION AND TRAINING LTD (REGISTERED NUMBER: 06198271)

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2014**

		2014		2013 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	9		2,620,889		2,617,132
Tangible assets	10		7,331,985		6,613,297
Investments	11		-		-
			<u>9,952,874</u>		<u>9,230,429</u>
CURRENT ASSETS					
Stocks	12	11,379		19,201	
Debtors	13	3,730,842		3,532,050	
Cash at bank and in hand		<u>4,419,899</u>		<u>2,373,161</u>	
		8,162,120		5,924,412	
CREDITORS					
Amounts falling due within one year	14	<u>13,110,566</u>		<u>10,364,247</u>	
NET CURRENT LIABILITIES			<u>(4,948,446)</u>		<u>(4,439,835)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,004,428		4,790,594
CREDITORS					
Amounts falling due after more than one year	15		(3,278,537)		(3,194,523)
PROVISIONS FOR LIABILITIES	19		<u>(65,195)</u>		<u>(35,036)</u>
NET ASSETS			<u>1,660,696</u>		<u>1,561,035</u>
CAPITAL AND RESERVES					
Called up share capital	20		1,000		1,000
Revaluation reserve	21		551,202		505,424
Profit and loss account			<u>1,108,494</u>		<u>1,054,611</u>
SHAREHOLDERS' FUNDS	24		<u>1,660,696</u>		<u>1,561,035</u>

The financial statements were approved by the Board of Directors on 14/7/15 and were signed on its behalf by:


N F Pamplin - Director

The notes form part of these financial statements

PRIME EDUCATION AND TRAINING LTD (REGISTERED NUMBER: 06198271)

**COMPANY BALANCE SHEET
31 DECEMBER 2014**

		2014		2013 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	9		2,144		2,144
Tangible assets	10		4,521,200		4,412,114
Investments	11		2,488,755		2,430,115
			<u>7,012,099</u>		<u>6,844,373</u>
CURRENT ASSETS					
Debtors	13	314,591		586,990	
Cash at bank and in hand		<u>50,349</u>		<u>51,394</u>	
			364,940		638,384
CREDITORS					
Amounts falling due within one year	14	<u>3,150,877</u>		<u>3,391,834</u>	
NET CURRENT LIABILITIES			<u>(2,785,937)</u>		<u>(2,753,450)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,226,162		4,090,923
CREDITORS					
Amounts falling due after more than one year	15		<u>3,278,537</u>		<u>3,194,523</u>
NET ASSETS			<u>947,625</u>		<u>896,400</u>
CAPITAL AND RESERVES					
Called up share capital	20		1,000		1,000
Revaluation reserve	21		849,421		849,421
Profit and loss account			<u>97,204</u>		<u>45,979</u>
SHAREHOLDERS' FUNDS	24		<u>947,625</u>		<u>896,400</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 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 CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

		2014		2013 as restated	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		3,492,594		2,727,657
Returns on investments and servicing of finance	2		(99,582)		(144,039)
Taxation			(158,523)		(35,042)
Capital expenditure and financial investment	2		(1,054,871)		(1,355,692)
Acquisitions and disposals	2		68,573		-
Equity dividends paid			(357,242)		(355,864)
			<u>1,890,949</u>		<u>837,020</u>
Financing	2		155,789		494,776
Increase in cash in the period			<u>2,046,738</u>		<u>1,331,796</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		2,046,738		1,331,796	
Cash inflow from increase in debt		<u>(83,657)</u>		<u>(313,980)</u>	
Change in net debt resulting from cash flows			<u>1,963,081</u>		<u>1,017,816</u>
Movement in net debt in the period			<u>1,963,081</u>		<u>1,017,816</u>
Net debt at 1 January			<u>(1,036,089)</u>		<u>(2,053,905)</u>
Net funds/(debt) at 31 December			<u>926,992</u>		<u>(1,036,089)</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 2014**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013 as restated
	£	£
Operating profit	618,997	682,169
Depreciation charges	542,008	380,176
Decrease/(increase) in stocks	7,822	(12,693)
Decrease/(increase) in debtors	748,677	(1,076,394)
Increase in creditors	1,575,090	2,754,399
Net cash inflow from operating activities	3,492,594	2,727,657

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2014	2013 as restated
	£	£
Returns on investments and servicing of finance		
Interest received	751	39
Interest paid	(101,426)	(144,078)
Dividends received	1,093	-
Net cash outflow for returns on investments and servicing of finance	(99,582)	(144,039)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,054,871)	(1,408,152)
Sale of fixed asset investments	-	52,460
Net cash outflow for capital expenditure and financial investment	(1,054,871)	(1,355,692)
Acquisitions and disposals		
Cash introduced on acquisition of trade	68,573	-
Net cash inflow for acquisitions and disposals	68,573	-
Financing		
New loans in year	298,026	498,635
Loan repayments in year	(214,369)	(184,655)
Amount introduced by directors	-	25,000
FX reserves movement	72,132	17,809
Prior year adjustment	-	137,987
Net cash inflow from financing	155,789	494,776

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 2014****3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.1.14 £	Cash flow £	At 31.12.14 £
Net cash:			
Cash at bank and in hand	<u>2,373,161</u>	<u>2,046,738</u>	<u>4,419,899</u>
	<u>2,373,161</u>	<u>2,046,738</u>	<u>4,419,899</u>
Debt:			
Debts falling due within one year	(214,727)	357	(214,370)
Debts falling due after one year	<u>(3,194,523)</u>	<u>(84,014)</u>	<u>(3,278,537)</u>
	<u>(3,409,250)</u>	<u>(83,657)</u>	<u>(3,492,907)</u>
Total	<u>(1,036,089)</u>	<u>1,963,081</u>	<u>926,992</u>

The notes form part of these financial statements

PRIME EDUCATION AND TRAINING LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

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 net invoiced sales of services, excluding value added tax, at the point where the service is provided. Amounts invoiced during the year but where the service is provided after the year end are deferred.

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. It is the view of the directors that the goodwill need not be systematically amortised on the grounds that net recoverable value of the asset is in excess of the current net book value. This policy takes advantage of the exemption permitted per FRS 10 from amortising goodwill over a period of 20 years or less.

Patents and licences

The licence has been recognised at cost to the group. This is not being amortised as it has an indefinite useful life. The asset will be reviewed annually for impairment.

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	- 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.

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 the profit and loss account 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 the profit and loss account in the period to which they relate.

PRIME EDUCATION AND TRAINING LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

2. STAFF COSTS

	2014	2013 as restated
	£	£
Wages and salaries	9,319,967	7,333,166
Social security costs	103,267	39,992
Other pension costs	65,229	10,372
	<u>9,488,463</u>	<u>7,383,530</u>

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

	2014	2013 as restated
Teaching and administration	<u>502</u>	<u>459</u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013 as restated
	£	£
Bank interest	1,546	12,124
Bank loan interest	106,364	88,942
Exchange rate difference	(8,523)	34,084
Other interest payable	2,039	8,928
	<u>101,426</u>	<u>144,078</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after charging:

	2014	2013 as restated
	£	£
Other operating leases	978,239	640,668
Depreciation - owned assets	542,007	379,559
Auditors' remuneration	<u>51,900</u>	<u>39,100</u>
Directors' remuneration	<u>23,661</u>	<u>22,896</u>

5. TAXATION

Analysis of the tax charge

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

	2014	2013 as restated
	£	£
Current tax:		
UK corporation tax	-	80,387
Prior year taxation	(3,157)	-
US taxes	<u>81,289</u>	<u>34,620</u>
Total current tax	78,132	115,007
Deferred tax	<u>30,158</u>	<u>7,936</u>
Tax on profit on ordinary activities	<u>108,290</u>	<u>122,943</u>

PRIME EDUCATION AND TRAINING LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014****5. TAXATION - continued****Factors affecting the tax charge**

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

	2014	2013 as restated
	£	£
Profit on ordinary activities before tax	<u>519,415</u>	<u>538,130</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 20%)	103,883	107,626
Effects of:		
Expenses not deductible for tax purposes	647	-
Income not taxable for tax purposes	(88,699)	-
Depreciation	85,968	75,122
Capital allowances	(98,679)	(84,259)
taxation		
Prior year adjustments	(3,157)	-
Other adjustments	-	11,575
US tax adjustment	(9,827)	(19,874)
Consolidation tax adjustment	-	24,817
Loss carried forward	<u>87,996</u>	<u>-</u>
Current tax charge	<u>78,132</u>	<u>115,007</u>

6. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £408,467 (2013 - £54,171).

7. DIVIDENDS

	2014	2013 as restated
	£	£
Ordinary A shares of £1 each		
Final	<u>357,242</u>	<u>355,864</u>

8. PRIOR YEAR ADJUSTMENT

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

The amount in 2013 comprised VAT owed to Kings Colleges Limited in respect of prior years.

PRIME EDUCATION AND TRAINING LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Totals £
COST			
At 1 January 2014	2,536,515	80,617	2,617,132
Exchange differences	-	3,757	3,757
At 31 December 2014	2,536,515	84,374	2,620,889
NET BOOK VALUE			
At 31 December 2014	2,536,515	84,374	2,620,889
At 31 December 2013	2,536,515	80,617	2,617,132

Company

	Goodwill £
COST	
At 1 January 2014 and 31 December 2014	2,144
NET BOOK VALUE	
At 31 December 2014	2,144
At 31 December 2013	2,144

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Freehold land £
COST OR VALUATION			
At 1 January 2014	2,610,000	1,530,164	1,730,000
Additions	131,189	477,781	-
Exchange differences	-	18,767	-
Reclassification/transfer	-	142,694	-
At 31 December 2014	2,741,189	2,169,406	1,730,000
DEPRECIATION			
At 1 January 2014	1	180,159	-
Charge for year	26,968	140,701	-
Exchange differences	-	1,132	-
Reclassification/transfer	-	6,100	-
At 31 December 2014	26,969	328,092	-
NET BOOK VALUE			
At 31 December 2014	2,714,220	1,841,314	1,730,000
At 31 December 2013	2,609,999	1,350,005	1,730,000

PRIME EDUCATION AND TRAINING LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

10. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 January 2014	1,143,012	706,313	7,719,489
Additions	117,899	328,002	1,054,871
Exchange differences	4,853	2,414	26,034
Reclassification/transfer	41,666	27,490	211,850
	<u>1,307,430</u>	<u>1,064,219</u>	<u>9,012,244</u>
At 31 December 2014			
DEPRECIATION			
At 1 January 2014	533,667	392,365	1,106,192
Charge for year	204,637	169,701	542,007
Exchange differences	1,179	215	2,526
Reclassification/transfer	13,017	10,417	29,534
	<u>752,500</u>	<u>572,698</u>	<u>1,680,259</u>
At 31 December 2014			
NET BOOK VALUE			
At 31 December 2014	<u>554,930</u>	<u>491,521</u>	<u>7,331,985</u>
At 31 December 2013	<u>609,345</u>	<u>313,948</u>	<u>6,613,297</u>

Cost or valuation at 31 December 2014 is represented by:

	Freehold property £	Short leasehold £	Freehold land £
Valuation in 2013	385,162	-	1,730,000
Cost	<u>2,356,027</u>	<u>2,169,406</u>	<u>-</u>
	<u>2,741,189</u>	<u>2,169,406</u>	<u>1,730,000</u>
	Fixtures and fittings £	Computer equipment £	Totals £
Valuation in 2013	-	-	2,115,162
Cost	<u>1,307,430</u>	<u>1,064,219</u>	<u>6,897,082</u>
	<u>1,307,430</u>	<u>1,064,219</u>	<u>9,012,244</u>

PRIME EDUCATION AND TRAINING LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

10. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Freehold land £	Fixtures and fittings £	Computer equipment £	Totals £
COST OR VALUATION					
At 1 January 2014	2,610,000	1,730,000	22,797	169,164	4,531,961
Additions	131,189	-	15,640	16,461	163,290
At 31 December 2014	2,741,189	1,730,000	38,437	185,625	4,695,251
DEPRECIATION					
At 1 January 2014	-	-	17,299	102,548	119,847
Charge for year	26,969	-	2,870	24,365	54,204
At 31 December 2014	26,969	-	20,169	126,913	174,051
NET BOOK VALUE					
At 31 December 2014	2,714,220	1,730,000	18,268	58,712	4,521,200
At 31 December 2013	2,610,000	1,730,000	5,498	66,616	4,412,114

Cost or valuation at 31 December 2014 is represented by:

	Freehold property £	Freehold land £	Fixtures and fittings £	Computer equipment £	Totals £
Valuation in 2013	385,162	1,730,000	-	-	2,115,162
Cost	2,356,027	-	38,437	185,625	2,580,089
	2,741,189	1,730,000	38,437	185,625	4,695,251

Under FRS 15 the company is required to revalue the land and buildings every 5 years. Valuations are carried out by an external valuer - Savills UK Ltd who are RICS qualified.

The last valuation was carried out as at 31 December 2013. The land was valued at £1,730,000 and the buildings at £2,610,000.

PRIME EDUCATION AND TRAINING LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014

11. FIXED ASSET INVESTMENTS

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

Human International USA Co. Limited

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

12. STOCKS

	Group	
	2014	2013 as restated
	£	£
Finished goods	<u>11,379</u>	<u>19,201</u>

PRIME EDUCATION AND TRAINING LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

13. DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£	as restated £	£	as restated £
Amounts falling due within one year:				
Trade debtors	2,436,021	2,398,483	-	-
Amounts owed by participating interests	-	177,000	-	-
Other debtors	122,914	363,705	10,239	314,014
Project costs	20,070	-	20,070	-
Tax	4	-	4	-
Prepayments	705,673	497,223	284,278	272,976
	<u>3,284,682</u>	<u>3,436,411</u>	<u>314,591</u>	<u>586,990</u>
Amounts falling due after more than one year:				
Other debtors	446,160	95,639	-	-
	<u>446,160</u>	<u>95,639</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>3,730,842</u>	<u>3,532,050</u>	<u>314,591</u>	<u>586,990</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	as restated £	£	as restated £
Bank loans and overdrafts (see note 16)	214,370	214,727	214,370	214,727
Payments on account	3,814,098	3,540,637	-	-
Trade creditors	370,909	287,366	134,527	139,044
Amounts owed to group undertakings	-	-	2,676,486	2,856,684
Tax	-	80,387	-	57,887
Social security and other taxes	189,859	159,926	18,042	17,258
VAT	137,751	251,276	-	-
Other creditors	1,359,215	466,670	966	-
Deferred income	6,741,500	5,136,590	-	-
Accrued expenses	282,864	226,668	106,486	106,234
	<u>13,110,566</u>	<u>10,364,247</u>	<u>3,150,877</u>	<u>3,391,834</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	as restated £	£	as restated £
Bank loans (see note 16)	<u>3,278,537</u>	<u>3,194,523</u>	<u>3,278,537</u>	<u>3,194,523</u>

PRIME EDUCATION AND TRAINING LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2014	2013	2014	2013
	£	as restated £	£	as restated £
Amounts falling due within one year or on demand:				
Bank loans	<u>214,370</u>	<u>214,727</u>	<u>214,370</u>	<u>214,727</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>214,370</u>	<u>214,727</u>	<u>214,370</u>	<u>214,727</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>643,109</u>	<u>644,182</u>	<u>643,109</u>	<u>644,182</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>2,421,058</u>	<u>2,335,614</u>	<u>2,421,058</u>	<u>2,335,614</u>

17. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

Group

	Land and buildings		Other operating leases	
	2014	2013	2014	2013
	£	as restated £	£	as restated £
Expiring:				
Within one year	28,884	13,404	2,100	2,100
Between one and five years	631,167	314,181	-	-
In more than five years	550,794	596,902	60,000	60,000
	<u>1,210,845</u>	<u>924,487</u>	<u>62,100</u>	<u>62,100</u>

Company

	Land and buildings		Other operating leases	
	2014	2013	2014	2013
	£	as restated £	£	as restated £
Expiring:				
Within one year	-	-	2,100	2,100
Between one and five years	30,000	30,000	-	-
	<u>30,000</u>	<u>30,000</u>	<u>2,100</u>	<u>2,100</u>

PRIME EDUCATION AND TRAINING LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2014	2013 as restated	2014	2013 as restated
	£	£	£	£
Bank loans	<u>3,492,907</u>	<u>3,409,250</u>	<u>3,492,907</u>	<u>3,409,250</u>

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

19. PROVISIONS FOR LIABILITIES

	Group	
	2014	2013 as restated
	£	£
Deferred tax	<u>65,195</u>	<u>35,036</u>
Group		
		Deferred tax £
Balance at 1 January 2014		35,036
Charge to the profit and loss		<u>30,159</u>
Balance at 31 December 2014		<u>65,195</u>

20. CALLED UP SHARE CAPITAL

Allotted and issued:		Nominal value:	2014	2013 as restated
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>

PRIME EDUCATION AND TRAINING LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014

21. RESERVES

Group

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 January 2014	966,726	505,424	1,472,150
Prior year adjustment	87,885	-	87,885
	<hr/>	<hr/>	<hr/>
Profit for the year	1,054,611	505,424	1,560,035
Dividends	411,125	-	411,125
Foreign currency translation a count	(357,242)	-	(357,242)
	<hr/>	<hr/>	<hr/>
At 31 December 2014	-	45,778	45,778
	<hr/>	<hr/>	<hr/>
At 31 December 2014	1,108,494	551,202	1,659,696
	<hr/>	<hr/>	<hr/>

Company

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 January 2014	45,979	849,421	895,400
Profit for the year	408,467	-	408,467
Dividends	(357,242)	-	(357,242)
	<hr/>	<hr/>	<hr/>
At 31 December 2014	97,204	849,421	946,625
	<hr/>	<hr/>	<hr/>

22. 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. At the start of the year 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 £299,295 (2013: £89,115) by Kings Colleges (USA) Limited. This amount has been disclosed as an other debtor with £99,765 in current debtors and £199,530 in long-term debtors per the servicing agreement on the debt.

23. 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.

PRIME EDUCATION AND TRAINING LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2014

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2014	2013 as restated
	£	£
Profit for the financial year	411,125	415,187
Dividends	(357,242)	(355,864)
	<u>53,883</u>	<u>59,323</u>
Other recognised gains and losses relating to the year (net)	45,778	20,210
Prior year adjustment	-	137,987
Revaluation in year	-	485,214
	<u>99,661</u>	<u>702,734</u>
Net addition to shareholders' funds		
Opening shareholders' funds (originally £1,473,150 before prior year adjustment of £87,885)	1,561,035	858,301
	<u>1,660,696</u>	<u>1,561,035</u>
Closing shareholders' funds		
	<u>1,660,696</u>	<u>1,561,035</u>
 Company	 2014	 2013 as restated
	£	£
Profit for the financial year	408,467	54,171
Dividends	(357,242)	(355,864)
	<u>51,225</u>	<u>(301,693)</u>
Other recognised gains and losses relating to the year (net)	-	485,215
Prior Year Adjustment	-	277,544
	<u>51,225</u>	<u>461,066</u>
Net addition to shareholders' funds		
Opening shareholders' funds	896,400	435,334
	<u>947,625</u>	<u>896,400</u>
Closing shareholders' funds		
	<u>947,625</u>	<u>896,400</u>

25. 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 £4,897,946.

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

**CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014		2013 as restated	
	£	£	£	£
Sales		35,937,109		26,352,618
Cost of sales				
Educational licence fees	13,283		-	
Marketing	2,464,124		2,405,441	
Activities and excursions	520,058		320,452	
Transport and transfers	574,543		475,334	
Accommodation and subsistence	9,976,008		7,524,380	
Teaching materials	864,480		826,278	
Student recruitment costs	7,401,125		4,540,512	
Teachers salaries	5,969,722		4,691,010	
Pensions	17,496		-	
		27,800,839		20,783,407
GROSS PROFIT		8,136,270		5,569,211
Other income				
Sundry receipts	42,037		133,564	
Management charges	-		615,119	
Interest in associate undertakings	1,093		-	
Deposit account interest	747		39	
Interest on taxation	4		-	
		43,881		748,722
		8,180,151		6,317,933
Expenditure				
Rent	947,846		635,342	
Rates and water	202,863		174,990	
Insurance	54,081		42,029	
Light and heat	178,842		147,230	
Repairs and maintenance	151,094		127,189	
Directors' salaries	23,661		22,896	
Directors' social security	4,126		3,763	
Wages	3,326,584		2,619,260	
Social security	99,141		36,229	
Pensions	47,733		10,372	
Other operating leases	30,393		5,326	
Computer costs	161,889		167,350	
Telephone	152,004		138,032	
Post and stationery	169,230		146,232	
Advertising	272,328		63,774	
Travelling	157,150		127,269	
Student and staff welfare	125,486		83,512	
Household and cleaning	243,518		210,129	
Sundry expenses	9,279		4,060	
Subscriptions	91,411		65,618	
Accountancy	64,716		53,153	
Professional fees	80,314		114,567	
Legal fees	94,569		77,195	
Auditors' remuneration	51,900		39,100	
Entertainment	10,704		9,275	
Bad debts	48,003		-	
Staff training	103,759		55,968	
Donations	177		-	
		6,902,801		5,179,860
Carried forward		1,277,350		1,138,073

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 2014**

	2014		2013 as restated	
	£	£	£	£
Brought forward		1,277,350		1,138,073
Finance costs				
Bank charges	121,609		75,467	
Bank interest	1,546		12,124	
Bank loan interest	106,364		88,942	
Exchange rate difference	(8,523)		34,084	
Other interest payable	2,039		8,928	
		<u>223,035</u>		<u>219,545</u>
		1,054,315		918,528
Depreciation				
Computer software	-		719	
Freehold property	26,969		-	
Short leasehold	137,300		83,096	
Fixtures and fittings	203,014		173,259	
Computer equipment	167,617		123,324	
		<u>534,900</u>		<u>380,398</u>
NET PROFIT		<u>519,415</u>		<u>538,130</u>

This page does not form part of the statutory financial statements