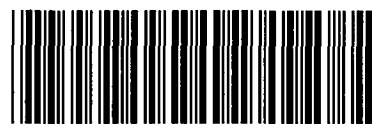


**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

FOR

PRIME EDUCATION AND TRAINING LTD

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FOR THE YEAR ENDED 31 DECEMBER 2017**

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PRIME EDUCATION AND TRAINING LTD

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017**

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:	Hannah Champion 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 2017

The directors present their strategic report of the company and the group for the year ended 31 December 2017.

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 international colleges in the UK offering academic courses (e.g. 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. Kings Brighton opened in June 2017, bringing the number of UK international colleges to four.

It also ran a number of summer camps for junior students in the UK and US, and the Kings Pathways division operated from 6 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

Revenues were up 10% on the previous year due to continued growth in the pathways division, a strong junior summer camp performance, plus the addition of a fourth UK College.

	2017 £'000	2016 £'000	Movement %
Turnover	44,242	39,495	12
Gross profit	10,934	9,098	20
Profit before taxation	648	(57)	
GP%	25%	23%	

Kings opened their sixth Pathway Programme at University of Wisconsin - Fox Valley in September 2017, providing students with a direct path to graduation from the University of Wisconsin - Madison, a Top 50 university in the USA.

The addition of the Brighton school, a strong junior summer camp performance and increasing numbers of students in our established pathway centres, has supported gross profit and profit before taxation growth.

The language market has continued to be affected by worldwide events (economic, political and terrorism) and currency fluctuations but has also had a better year.

The Group has also maintained its investment in the Sales and Marketing base to provide a platform for future growth and profitability, with recruitment presence extended in Europe, the Commonwealth of Independent States, and Asia.

Overheads have increased in absolute terms and by 1% as a percentage of turnover, due in part to the starting up of the Brighton school which isn't yet at full capacity, plus a one-off write-off of the remaining inter-company debt with the original trading company that the Los Angeles business went through at acquisition.

During the year, the Group also adopted a change to the recognition of sales and marketing expenditure to more closely match the benefit of this spend to revenue.

The Directors believe the key financial indicator for the group to be its overall net asset value and are satisfied with the balance sheet position of the group of £1,687,894 net assets at year-end.

Strong future bookings and consistent credit control have contributed to healthy year-end cash, trade debtor balances, payments on account, and deferred income balances.

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, which remain in 2018, will continue to challenge the sector although overall academic student recruitment is often less impacted by such factors. On a more positive note the continued weakness of sterling into 2018 has provided the UK sector with a welcome boost which could see a rise in revenues over recent years. The directors are confident that the business has a sufficient mix of revenues streams to offset downturns in any area.

PRIME EDUCATION AND TRAINING LTD

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 remains within trading terms for supplier payments.

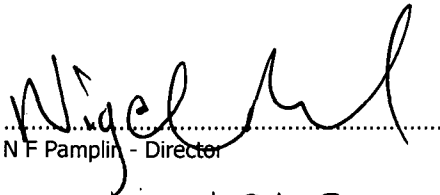
In respect of loans and overall liquidity risk the group ensures there are sufficient funds in place to meet the repayments.

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.

ON BEHALF OF THE BOARD:


.....
N F Pamplin - Director

Date: 22/8/18
.....

PRIME EDUCATION AND TRAINING LTD

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2017.

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 2017 will be £617,725.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

N F Pamplin
A G Hutchinson
A W Green

EMPLOYMENT POLICIES

It is the policy of the company to follow equal opportunity employment practices including full consideration of working practices for the disabled. When recruiting new staff the company will give full consideration to all applicants and review working conditions where required for an applicant to be given equal opportunity for consideration for the relevant position.

The company's employment practices are regularly reviewed to ensure they remain compliant with all relevant laws, employment guidelines and best practice. The company is committed to creating a collaborative working environment free from discrimination of any type. If an employee becomes disabled during their employment the company will do everything it can to ensure the employee can continue to work safely and effectively including retraining to another better suited position if required.

The company operates an ongoing employee performance review process with a minimum of one formal documented review each year. Communication with employees is maintained through line managers, email and ad-hoc staff announcements. During 2017 all school employees were given a presentation by Company Directors on the status of the industry and company.

The company is also committed to safeguarding and promoting the welfare of children and young people and expects staff and volunteers to share this commitment.

OVERSEAS BRANCHES

The group has entities in the USA, which operate English Language, University Pathways and junior summer programmes. Our wholly owned foreign entity (WOFE) in China employs staff to support group marketing activities.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

PRIME EDUCATION AND TRAINING LTD

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

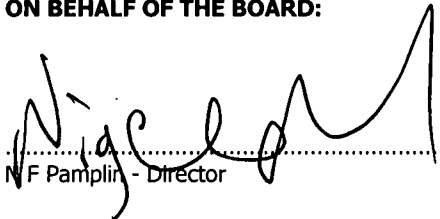
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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: 22/01/18

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

Opinion

We have audited the financial statements of Prime Education And Training Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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.

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages four and five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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.



Hannah Champion 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: 22/8/22

PRIME EDUCATION AND TRAINING LTD

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
TURNOVER	4	44,242,171	39,495,070
Cost of sales		33,308,058	30,396,087
GROSS PROFIT		10,934,113	9,098,983
Administrative expenses		10,328,133	9,173,915
		605,980	(74,932)
Other operating income		139,467	235,915
OPERATING PROFIT		745,447	160,983
Interest receivable and similar income		-	57
		745,447	161,040
Interest payable and similar expenses	6	97,037	103,583
PROFIT BEFORE TAXATION	7	648,410	57,457
Tax on profit	8	81,270	112,548
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		567,140	(55,091)
OTHER COMPREHENSIVE INCOME			
Revaluation of Property		-	1,290,553
Foreign Exchange Movements		(172,707)	74,654
Income tax relating to components of other comprehensive income		-	(252,036)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		(172,707)	1,113,171
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		394,433	1,058,080
Profit attributable to: Owners of the parent		567,140	(55,091)
Total comprehensive income attributable to: Owners of the parent		394,433	1,058,080

The notes form part of these financial statements

PRIME EDUCATION AND TRAINING LTD (REGISTERED NUMBER: 06198271)

**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2017**

	Notes	2017 £	2016 £
FIXED ASSETS			
Intangible assets	11	1,858,335	2,187,969
Tangible assets	12	9,723,693	9,600,906
Investments	13	-	-
		<u>11,582,028</u>	<u>11,788,875</u>
CURRENT ASSETS			
Stocks	14	18,408	10,751
Debtors	15	5,469,364	3,781,822
Cash at bank and in hand		3,742,952	2,873,650
		<u>9,230,724</u>	<u>6,666,223</u>
CREDITORS			
Amounts falling due within one year	16	15,726,542	13,413,973
NET CURRENT LIABILITIES		<u>(6,495,818)</u>	<u>(6,747,750)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,086,210	5,041,125
CREDITORS			
Amounts falling due after more than one year	17	(3,058,266)	(2,914,092)
PROVISIONS FOR LIABILITIES	21	<u>(340,050)</u>	<u>(362,371)</u>
NET ASSETS		<u><u>1,687,894</u></u>	<u><u>1,764,662</u></u>
CAPITAL AND RESERVES			
Called up share capital	22	1,034	1,000
Share premium	23	146,490	-
Revaluation reserve	23	1,932,450	1,932,450
Retained earnings	23	(392,080)	(168,788)
SHAREHOLDERS' FUNDS		<u><u>1,687,894</u></u>	<u><u>1,764,662</u></u>

The financial statements were approved by the Board of Directors on 22/8/18 and were signed on its behalf by:


F Pamplin Director

PRIME EDUCATION AND TRAINING LTD (REGISTERED NUMBER: 06198271)

**COMPANY BALANCE SHEET
31 DECEMBER 2017**

	Notes	2017 £	2016 £
FIXED ASSETS			
Intangible assets	11	-	-
Tangible assets	12	6,047,614	6,116,112
Investments	13	2,495,609	2,495,609
		<u>8,543,223</u>	<u>8,611,721</u>
CURRENT ASSETS			
Debtors	15	2,621,079	1,053,980
Cash at bank and in hand		108,633	113,258
		<u>2,729,712</u>	<u>1,167,238</u>
CREDITORS			
Amounts falling due within one year	16	5,225,061	4,629,807
NET CURRENT LIABILITIES		<u>(2,495,349)</u>	<u>(3,462,569)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,047,874	5,149,152
CREDITORS			
Amounts falling due after more than one year	17	(3,058,266)	(2,914,092)
PROVISIONS FOR LIABILITIES	21	(400,341)	(406,887)
NET ASSETS		<u>2,589,267</u>	<u>1,828,173</u>
CAPITAL AND RESERVES			
Called up share capital	22	1,034	1,000
Share premium	23	146,490	-
Revaluation reserve	23	1,738,065	1,738,065
Retained earnings	23	703,678	89,108
SHAREHOLDERS' FUNDS		<u>2,589,267</u>	<u>1,828,173</u>
Company's profit for the financial year		<u>1,232,295</u>	<u>271,469</u>

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

.....
N F Pamplin - Director

PRIME EDUCATION AND TRAINING LTD

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 January 2016	1,000	230,521	-	829,372	1,060,893
Changes in equity					
Dividends	-	(354,311)	-	-	(354,311)
Total comprehensive income	-	(44,998)	-	1,103,078	1,058,080
Balance at 31 December 2016	<u>1,000</u>	<u>(168,788)</u>	<u>-</u>	<u>1,932,450</u>	<u>1,764,662</u>
Changes in equity					
Issue of share capital	34	-	146,490	-	146,524
Dividends	-	(617,725)	-	-	(617,725)
Total comprehensive income	-	394,433	-	-	394,433
Balance at 31 December 2017	<u>1,034</u>	<u>(392,080)</u>	<u>146,490</u>	<u>1,932,450</u>	<u>1,687,894</u>

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 2017**

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 January 2016	1,000	171,950	-	699,548	872,498
Changes in equity					
Dividends	-	(354,311)	-	-	(354,311)
Total comprehensive income	-	271,469	-	1,038,517	1,309,986
Balance at 31 December 2016	<u>1,000</u>	<u>89,108</u>	<u>-</u>	<u>1,738,065</u>	<u>1,828,173</u>
Changes in equity					
Issue of share capital	34	-	146,490	-	146,524
Dividends	-	(617,725)	-	-	(617,725)
Total comprehensive income	-	1,232,295	-	-	1,232,295
Balance at 31 December 2017	<u><u>1,034</u></u>	<u><u>703,678</u></u>	<u><u>146,490</u></u>	<u><u>1,738,065</u></u>	<u><u>2,589,267</u></u>

The notes form part of these financial statements

PRIME EDUCATION AND TRAINING LTD

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	2,140,102	659,701
Interest paid		(97,037)	(103,583)
Tax paid		108,754	(56,568)
Net cash from operating activities		<u>2,151,819</u>	<u>499,550</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,092,665)	(424,118)
Sale of tangible fixed assets		26,782	11,991
Interest received		-	57
Net cash from investing activities		<u>(1,065,883)</u>	<u>(412,070)</u>
Cash flows from financing activities			
New loans in year		487,625	-
Loan repayments in year		(288,301)	(262,920)
Share issue		34	-
Share Premium		146,490	-
Equity dividends paid		(617,725)	(354,311)
Net cash from financing activities		<u>(271,877)</u>	<u>(617,231)</u>
Increase/(decrease) in cash and cash equivalents		<u>814,059</u>	<u>(529,751)</u>
Cash and cash equivalents at beginning of year	2	2,873,650	3,822,109
Effect of foreign exchange rate changes		55,243	(418,708)
Cash and cash equivalents at end of year	2	<u><u>3,742,952</u></u>	<u><u>2,873,650</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 2017**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Profit before taxation	648,410	57,457
Depreciation charges	1,038,077	1,047,137
Loss on disposal of fixed assets	6,701	13,949
Finance costs	97,037	103,583
Finance income	-	(57)
	<u>1,790,225</u>	<u>1,222,069</u>
Increase in stocks	(7,657)	(7,305)
(Increase)/decrease in trade and other debtors	(1,772,589)	19,903
Increase/(decrease) in trade and other creditors	<u>2,130,123</u>	<u>(574,966)</u>
Cash generated from operations	<u><u>2,140,102</u></u>	<u><u>659,701</u></u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u><u>3,742,952</u></u>	<u><u>2,873,650</u></u>

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u><u>2,873,650</u></u>	<u><u>3,831,619</u></u>
Bank overdrafts	<u><u>-</u></u>	<u><u>(9,510)</u></u>
	<u><u>2,873,650</u></u>	<u><u>3,822,109</u></u>

PRIME EDUCATION AND TRAINING LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. PRESENTATION CURRENCY

The accounts are presented in the companies functional currency of pound sterling (£).

2. STATUTORY INFORMATION

Prime Education And Training Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

This consolidated balance sheet and accompanying notes 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 consolidated balance sheet and accompanying notes have been prepared under the historical cost convention as modified by the revaluation of certain assets.

This consolidated balance sheet has 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

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include prepayments, deferred income and accrued expenses. These are based on key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date.

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.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

Development costs are being amortised evenly over their estimated useful life of fifteen years.

Patents and licences

The licence was revalued to its market value as at 31 December 2015. This is subsequently amortised over its estimated useful life of 10 years.

PRIME EDUCATION AND TRAINING LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2017

3. ACCOUNTING POLICIES - continued

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	- Over the life of the lease
Freehold land	- Over the life of the lease and over term of lease
Plant and machinery	- 25% on cost
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.

Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligation, rather than its legal form.

The company's cash at bank and in hand, amounts due from group undertakings, trade creditors and amounts owed to group companies are measured initially at the transaction price, including transaction costs and subsequently at the amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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.

PRIME EDUCATION AND TRAINING LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017****4. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group.

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

	2017 £	2016 £
Course and related income	21,506,735	20,059,402
Accommodation income	11,045,013	9,997,405
Summer schools	4,711,609	3,472,315
Other sales	2,732,092	2,357,228
Pathway income	4,246,722	3,608,720
	<u>44,242,171</u>	<u>39,495,070</u>

An analysis of turnover by geographical market is given below:

	2017 £	2016 £
United Kingdom	28,726,773	24,197,981
United States of America	15,515,398	15,297,089
	<u>44,242,171</u>	<u>39,495,070</u>

5. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	11,040,767	10,372,738
Social security costs	1,010,819	909,862
Other pension costs	260,609	46,563
	<u>12,312,195</u>	<u>11,329,163</u>

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

	2017	2016
Teaching and administration	<u>462</u>	<u>494</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 462 (2016 - 494).

	2017 £	2016 £
Directors' remuneration	<u>175,291</u>	<u>171,664</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017 £	2016 £
Bank interest	-	524
Bank loan interest	97,037	101,823
Exchange rate difference	-	1,236
	<u>97,037</u>	<u>103,583</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

The profit is stated after charging/(crediting):

8. TAXATION

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

Tax effects relating to effects of other comprehensive income

9. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

continued...

PRIME EDUCATION AND TRAINING LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. DIVIDENDS

	2017 £	2016 £
Ordinary A shares of £1 each Final	237,297	112,176
Ordinary B shares of £1 each Final	162,974	126,315
Ordinary C shares of £1 each Final	217,454	115,820
	<u>617,725</u>	<u>354,311</u>

11. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Development costs £	Totals £
COST OR VALUATION				
At 1 January 2017	2,386,685	532,713	14,404	2,933,802
Exchange differences	-	(45,310)	(1,225)	(46,535)
At 31 December 2017	<u>2,386,685</u>	<u>487,403</u>	<u>13,179</u>	<u>2,887,267</u>
AMORTISATION				
At 1 January 2017	684,822	53,272	7,739	745,833
Amortisation for year	238,669	48,740	879	288,288
Exchange differences	-	(4,531)	(658)	(5,189)
At 31 December 2017	<u>923,491</u>	<u>97,481</u>	<u>7,960</u>	<u>1,028,932</u>
NET BOOK VALUE				
At 31 December 2017	<u>1,463,194</u>	<u>389,922</u>	<u>5,219</u>	<u>1,858,335</u>
At 31 December 2016	<u>1,701,863</u>	<u>479,441</u>	<u>6,665</u>	<u>2,187,969</u>

Cost or valuation at 31 December 2017 is represented by:

	Goodwill £	Patents and licences £	Development costs £	Totals £
Valuation in 2015	-	355,203	-	355,203
Cost	<u>2,386,685</u>	<u>132,200</u>	<u>13,179</u>	<u>2,532,064</u>
	<u>2,386,685</u>	<u>487,403</u>	<u>13,179</u>	<u>2,887,267</u>

PRIME EDUCATION AND TRAINING LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. INTANGIBLE FIXED ASSETS - continued

Company	Goodwill £
COST	
At 1 January 2017 and 31 December 2017	<u>2,144</u>
AMORTISATION	
At 1 January 2017 and 31 December 2017	<u>2,144</u>
NET BOOK VALUE	
At 31 December 2017	-
At 31 December 2016	-

12. TANGIBLE FIXED ASSETS

Group	Freehold property £	Short leasehold £	Freehold land £
COST OR VALUATION			
At 1 January 2017	3,585,000	3,550,097	2,390,000
Additions	-	271,641	-
Disposals	-	(29,940)	-
Exchange differences	-	(191,108)	-
At 31 December 2017	<u>3,585,000</u>	<u>3,600,690</u>	<u>2,390,000</u>
DEPRECIATION			
At 1 January 2017	53,936	746,977	-
Charge for year	35,850	242,878	-
Eliminated on disposal	-	(1,738)	-
Exchange differences	-	(27,525)	-
At 31 December 2017	<u>89,786</u>	<u>960,592</u>	<u>-</u>
NET BOOK VALUE			
At 31 December 2017	<u>3,495,214</u>	<u>2,640,098</u>	<u>2,390,000</u>
At 31 December 2016	<u>3,531,064</u>	<u>2,803,120</u>	<u>2,390,000</u>

PRIME EDUCATION AND TRAINING LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. TANGIBLE FIXED ASSETS - continued

Group

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 January 2017	-	1,606,968	1,465,215	12,597,280
Additions	343,443	173,431	304,150	1,092,665
Disposals	-	(5,425)	(25,574)	(60,939)
Exchange differences	-	(28,909)	(23,520)	(243,537)
At 31 December 2017	343,443	1,746,065	1,720,271	13,385,469
DEPRECIATION				
At 1 January 2017	-	1,167,631	1,027,830	2,996,374
Charge for year	29,691	200,153	241,217	749,789
Eliminated on disposal	-	(4,532)	(21,186)	(27,456)
Exchange differences	-	(15,452)	(13,954)	(56,931)
At 31 December 2017	29,691	1,347,800	1,233,907	3,661,776
NET BOOK VALUE				
At 31 December 2017	313,752	398,265	486,364	9,723,693
At 31 December 2016	-	439,337	437,385	9,600,906

Cost or valuation at 31 December 2017 is represented by:

	Freehold property £	Short leasehold £	Freehold land £
Valuation in 2013	385,162	-	1,730,000
Valuation in 2016	545,186	-	660,000
Cost	2,654,652	3,600,690	-
	3,585,000	3,600,690	2,390,000

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
Valuation in 2013	-	-	-	2,115,162
Valuation in 2016	-	-	-	1,205,186
Cost	343,443	1,746,065	1,720,271	10,065,121
	343,443	1,746,065	1,720,271	13,385,469

PRIME EDUCATION AND TRAINING LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 January 2017	5,975,000	46,063	336,379	6,357,442
Additions	-	2,916	21,200	24,116
Disposals	-	(908)	(517)	(1,425)
At 31 December 2017	5,975,000	48,071	357,062	6,380,133
DEPRECIATION				
At 1 January 2017	-	30,331	210,999	241,330
Charge for year	35,850	5,242	51,497	92,589
Eliminated on disposal	-	(883)	(517)	(1,400)
At 31 December 2017	35,850	34,690	261,979	332,519
NET BOOK VALUE				
At 31 December 2017	5,939,150	13,381	95,083	6,047,614
At 31 December 2016	5,975,000	15,732	125,380	6,116,112

Cost or valuation at 31 December 2017 is represented by:

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
Valuation in 2017	5,975,000	48,071	357,062	6,380,133

Freehold land and buildings was valued on an open market basis on 27 February 2017 by Vail Williams LLP.

PRIME EDUCATION AND TRAINING LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2017

13. 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 Education (Boston) LLC

Nature of business: Education Location: United States of America

	%
Class of shares:	holding
Ordinary	100

Kings Colleges NY I 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

14. STOCKS

	Group	
	2017	2016
	£	£
Stocks	10,615	2,355
Finished goods	7,793	8,396
	<u>18,408</u>	<u>10,751</u>

PRIME EDUCATION AND TRAINING LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. DEBTORS

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	2,281,981	2,378,323	-	-
Amounts owed by group undertakings	-	-	1,155,561	719,202
Other debtors	92,418	320,422	4,600	11,850
Project costs	-	51,953	-	51,953
Tax	-	85,047	-	-
Prepayments	2,916,002	736,384	1,460,918	270,975
	<u>5,290,401</u>	<u>3,572,129</u>	<u>2,621,079</u>	<u>1,053,980</u>
Amounts falling due after more than one year:				
Other debtors	<u>178,963</u>	<u>209,693</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>5,469,364</u>	<u>3,781,822</u>	<u>2,621,079</u>	<u>1,053,980</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts (see note 18)	318,069	262,921	318,069	262,921
Payments on account	4,521,013	3,963,482	-	-
Trade creditors	516,157	342,171	104,666	87,303
Amounts owed to group undertakings	-	-	4,090,501	4,005,558
Tax	172,781	45,483	91,948	44,664
Social security and other taxes	207,307	167,259	32,953	27,456
VAT	58,326	18,203	5,793	484
Other creditors	963,742	961,735	35,955	57,653
Deferred income	7,630,663	6,796,775	-	-
Accrued expenses	1,338,484	855,944	545,176	143,768
	<u>15,726,542</u>	<u>13,413,973</u>	<u>5,225,061</u>	<u>4,629,807</u>

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans (see note 18)	<u>3,058,266</u>	<u>2,914,092</u>	<u>3,058,266</u>	<u>2,914,092</u>

PRIME EDUCATION AND TRAINING LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Amounts falling due within one year or on demand:				
Bank loans	<u>318,069</u>	<u>262,921</u>	<u>318,069</u>	<u>262,921</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>318,069</u>	<u>262,921</u>	<u>318,069</u>	<u>262,921</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>954,208</u>	<u>788,763</u>	<u>954,208</u>	<u>788,763</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>1,785,989</u>	<u>1,862,408</u>	<u>1,785,989</u>	<u>1,862,408</u>

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group		Non-cancellable operating leases	
		2017 £	2016 £
Within one year		761,708	761,708
Between one and five years		1,209,374	1,209,374
In more than five years		<u>691,852</u>	<u>691,852</u>
		<u>2,662,934</u>	<u>2,662,934</u>

Company		Non-cancellable operating leases	
		2017 £	2016 £
Within one year		2,100	2,100
Between one and five years		<u>55,000</u>	<u>55,000</u>
		<u>57,100</u>	<u>57,100</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Bank loans	<u>3,376,335</u>	<u>3,177,013</u>	<u>3,376,335</u>	<u>3,177,013</u>

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

PRIME EDUCATION AND TRAINING LTD

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

21. PROVISIONS FOR LIABILITIES

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Deferred tax	<u>340,050</u>	<u>362,371</u>	<u>400,341</u>	<u>406,887</u>
Group				
				Deferred tax £
Balance at 1 January 2017				362,371
Credit to Statement of Comprehensive Income during year				<u>(22,321)</u>
Balance at 31 December 2017				<u>340,050</u>
Company				
				Deferred tax £
Balance at 1 January 2017				406,887
Credit to Statement of Comprehensive Income during year				<u>(6,546)</u>
Balance at 31 December 2017				<u>400,341</u>

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2017 £	2016 £
10	Ordinary E	£1	<u>10</u>	<u>-</u>
Allotted and issued:				
Number:	Class:	Nominal value:	2017 £	2016 £
300	Ordinary A	£1	300	300
310	Ordinary B	£1	310	300
207	Ordinary C	£1	207	200
(2016 - 200)				
207	Ordinary D	£1	207	200
(2016 - 200)				
			<u>1,024</u>	<u>1,000</u>

Shares were issued during the year as follows:

Cash at par
10 Ordinary B shares of £1 for £10
7 Ordinary C shares of £1 for £7
7 Ordinary D shares of £1 for £7

Cash at premium
10 Ordinary E shares of £1 for £146500

PRIME EDUCATION AND TRAINING LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017****23. RESERVES**

Group	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 January 2017	(168,788)	-	1,932,450	1,763,662
Profit for the year	567,140	-	-	567,140
Dividends	(617,725)	-	-	(617,725)
Bonus share issue	-	146,490	-	146,490
Foreign currency translation	(172,707)	-	-	(172,707)
At 31 December 2017	<u>(392,080)</u>	<u>146,490</u>	<u>1,932,450</u>	<u>1,686,860</u>
Company	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 January 2017	89,108	-	1,738,065	1,827,173
Profit for the year	1,232,295	-	-	1,232,295
Dividends	(617,725)	-	-	(617,725)
Bonus share issue	-	146,490	-	146,490
At 31 December 2017	<u>703,678</u>	<u>146,490</u>	<u>1,738,065</u>	<u>2,588,233</u>

24. 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.

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 £6,495,818.

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 2017**

	2017		2016	
	£	£	£	£
Sales		44,242,171		39,495,070
Cost of sales				
Opening stock	2,355		-	
Marketing	1,524,115		2,600,143	
Activities and excursions	637,429		528,229	
Transport and transfers	654,043		529,652	
Accommodation and subsistence	12,400,618		10,748,511	
Teaching materials	741,076		661,505	
Student recruitment costs	10,301,162		8,824,880	
Teachers salaries	6,999,686		6,458,959	
Pensions	53,427		46,563	
	<u>33,313,911</u>		<u>30,398,442</u>	
Closing stock	(5,853)		(2,355)	
		<u>33,308,058</u>		<u>30,396,087</u>
GROSS PROFIT		10,934,113		9,098,983
Other income				
Sundry receipts	67,636		56,897	
Exchange gains	71,831		179,018	
Deposit account interest	-		57	
	<u></u>	<u>139,467</u>	<u></u>	<u>235,972</u>
		11,073,580		9,334,955
Expenditure				
Rent	906,369		739,250	
Rates and water	316,861		232,314	
Insurance	116,056		120,516	
Light and heat	134,699		140,529	
Repairs and maintenance	165,272		128,901	
Directors' salaries	175,291		171,664	
Directors' social security	1,689		1,710	
Wages	3,865,790		3,742,115	
Social security	1,009,130		908,152	
Pensions	207,182		-	
Other operating leases	9,161		6,339	
Computer costs	301,555		238,645	
Telephone	166,881		157,916	
Post and stationery	108,623		120,096	
Advertising	89,214		50,628	
Travelling	169,016		150,025	
Student and staff welfare	77,456		73,897	
Household and cleaning	305,752		263,255	
Sundry expenses	40,905		42,003	
Subscriptions	176,414		183,658	
Accountancy	67,394		76,127	
Professional fees	21,358		12,524	
Legal fees	191,436		235,071	
Auditors' remuneration	67,200		56,740	
Entertainment	14,082		13,292	
Bad debts	48,677		69,271	
Staff training	136,862		66,460	
Intercompany write-off	240,738		-	
	<u></u>	<u>9,131,063</u>	<u></u>	<u>8,001,098</u>
Carried forward		1,942,517		1,333,857

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 2017**

	2017		2016	
	£	£	£	£
Brought forward		1,942,517		1,333,857
Finance costs				
Bank charges	114,435		114,866	
Bank interest	-		524	
Bank loan interest	97,037		101,823	
Exchange rate difference	-		1,236	
		211,472		218,449
		1,731,045		1,115,408
Depreciation				
Goodwill	262,480		243,226	
Patents and licences	51,081		29,277	
Development costs	921		877	
Freehold property	35,850		85,367	
Short leasehold	249,755		235,900	
Plant and machinery	29,691		-	
Fixtures and fittings	202,787		225,396	
Computer equipment	243,369		223,959	
		1,075,934		1,044,002
		655,111		71,406
Loss on disposal of fixed assets				
Short leasehold	2,551		-	
Fixtures and fittings	893		-	
Computer equipment	3,257		-	
Loss on disposals	-		13,949	
		6,701		13,949
NET PROFIT		648,410		57,457