

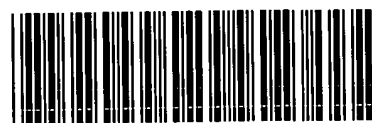


Cambridge
Education Group

Financial statements CEG Administrative Services Limited

For the Year Ended 31 August 2015

TUESDAY



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COMPANIES HOUSE

Company No. 06355644

Officers and professional advisers

Company registration number

06355644

Registered office

Kett House
Station Road
CAMBRIDGE
CB1 2JH

Directors

F Brownlee
M Stanton
H Shah

Secretary

M Stanton

Auditor

Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
101 Cambridge Science Park
Milton Road
CAMBRIDGE
CB4 0FY

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Strategic Report

Principal activities

The principal activity of the company during the year was the provision of administrative services for other group companies.

The company is part of Cambridge Education Group (CEG) a UK-based global group that specialises in provision of the highest quality academic and English language programmes to international students out of its 25 schools and centres across the UK, USA and continental Europe.

Through its five business units, CEG's broad portfolio offers High School programmes, foundation in the creative arts, foundation pathways to degree-level education, English language for adults and Junior Summer Camps.

Attracting students from around the world who seek entry into the best universities in the UK, Europe and the USA, CEG operates within the buoyant international education sector which continues to grow. The driver for this growth is mainly due to the increasing wealth of emerging economies where a rising number of parents in the aspiring middle classes are now able to afford their children an overseas education which is generally perceived to be of higher quality and can often lead to better job opportunities upon return. Fluency in the English language has long been perceived as a competitive advantage internationally which reinforces this trend.

CEG teaches the broadest academic portfolio in the industry, meaning it can cater appropriately for the needs of more students than its peers due to its diverse offering. The underlying principles across all divisions are:

- world-class provision of classroom based teaching in the English language;
- a customer led service ethos, acknowledging and responding to the cultural and linguistic gaps between the parent at home and the student in our care;
- helping our students to achieve entry to the best universities according to their aspirations and abilities – with CEG possessing sector leading progression rates;
- continuous investment into state-of-the-art facilities;
- employing best-in-class teachers accustomed to teaching students whose first language is not English, as well as having the ability to inspire and engage students to exceed their own expectations.

Business review

The growth in turnover reflects the increase in activity in Cambridge Education Group and the activity of the company to support that development. Its entire turnover reflects income derived from charges to the group in respect of the services that the company delivers to support the activities of the companies within the group. In the prior year the company received dividend income from its investments, which was then paid to its shareholders.

Future developments

The directors foresee a similar level of activity in the coming year.

Financial key performance indicators

The Board and management use the following Key Performance Indicators (KPIs) to monitor the success of the entire Cambridge Education Group and the contribution of this company towards those achievements:

- turnover growth;
- recurring operating profit as a percentage of turnover;
- turnover per employee; and
- recurring operating profit per employee;

During the year to 31 August 2015 Cambridge Education Group Limited showed the following results:

- turnover continued to grow and was 7.7% above 2014;
- operating margins reduced from 13.4% to 13.1%;
- turnover per employee rose 6.0% from £82,949 to £87,953; and
- operating profit before exceptional credit, depreciation and amortisation per employee rose 3.8% from £11,134 to £11,555.

Principal risks and uncertainties

In common with other businesses of a similar nature, the Cambridge Education Group is exposed to a variety of risks and uncertainties. The directors believe the principal risks are:

- Impact of changes in global visa application processes;
- Global reduction in international movement;
- Adverse movements in interest and exchange rates;
- Significant disruption in the trading ability of the group due to one-off global disasters.

Policies are in place to monitor and manage each of these risks and in particular to assess the impact on the company as part of that wider group.

Financial risk management objectives and policies

The group uses various financial instruments including loans and trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is working capital for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the group's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Short-term flexibility is achieved by a group backed bank lending facility.

Interest rate risk

The parent group finances its operations through a mixture of equity, syndicated bank borrowings, loan notes and intra group loans. The parent group exposure to interest rate fluctuations on its borrowing is managed by the use of interest-rate swap arrangements.

This report was approved by the board and signed on its behalf by:



H Shah

Director

23 May 2016

Report of the directors

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

Results and dividends

The profit for the year, after taxation, amounted to £747,076 (2014 - £7,610,510). No dividend has been paid during the year (2014 - £8.9m).

Directors

The directors who served the company during the year and since that date were as follows:

F Brownlee

J Phillips

H Shah

M Stanton

resigned 31 October 2014

appointed 22 October 2014

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the directors (continued)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Report of the Directors is approved has confirmed that:

- so far as that director is aware there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487 (2) of the Companies Act 2006 unless the company receives notice under section 488 (1) of the Companies Act 2006.

BY ORDER OF THE BOARD



H Shah

Director

23 May 2016



Independent auditor's report to the members of CEG Administrative Services Limited

We have audited the financial statements of CEG Administrative Services Limited for the year ended 31 August 2015 which comprise the accounting policies, profit and loss account, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 6, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of CEG Administrative Services Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP

Alison Seekings (Senior Statutory Auditor)
For and on behalf of
Grant Thornton UK LLP
Statutory Auditors
Chartered Accountants

Cambridge

26 May 2016

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

The directors consider that the company has adequate group support to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Consolidation

The financial statements contain information about CEG Administrative Services Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Cambridge Education Group Limited, a company registered in England and Wales.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its intermediate parent company, Cambridge Education Group Limited, publishes a consolidated cash flow statement.

Turnover

The turnover shown in the profit and loss account represents amounts receivable for services to group companies.

Fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | | |
|---------------------|---|-------------------|
| Fixtures & Fittings | - | 25% Straight Line |
| Equipment | - | 25% Straight Line |

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company makes payments by way of defined contributions to the personal pension plans of staff members. The pension charge represents the aggregate amount payable by the company to those plans in respect of the year.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Monetary 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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

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

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

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

Profit and loss account

| | Note | 2015 £ | 2014 £ |
|--|------|----------------|------------------|
| Turnover | 1 | 18,644,468 | 16,204,415 |
| Other operating charges | | 17,915,742 | 15,469,691 |
| Operating profit | 2 | 728,726 | 734,724 |
| Income from shares from group undertakings | | - | 7,200,000 |
| Interest receivable | | 217,169 | 222,000 |
| Profit on ordinary activities before taxation | | 945,895 | 8,156,724 |
| Tax on profit on ordinary activities | 6 | 198,819 | 546,214 |
| Profit for the financial year | 16 | 747,076 | 7,610,510 |

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

| | Note | 2015 £ | 2014 £ |
|---|------|--------------------------|-------------------|
| Fixed assets | | | |
| Tangible assets | 8 | 1,100,714 | 941,316 |
| Investments | 9 | 300 | 300 |
| | | <u>1,101,014</u> | <u>941,616</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 10 | 15,676,106 | 8,382,706 |
| Debtors: amounts falling due after more than one year | 10 | 5,045,989 | 3,708,403 |
| | | <u>20,722,095</u> | <u>12,091,109</u> |
| Creditors: amounts falling due within one year | 12 | 20,110,841 | 12,067,533 |
| Net current assets | | <u>611,254</u> | <u>23,576</u> |
| Total assets less current liabilities | | <u>1,712,268</u> | <u>965,192</u> |
| Capital and reserves | | | |
| Called-up share capital | 15 | 100 | 100 |
| Profit and loss account | 16 | 1,712,168 | 965,092 |
| Shareholders' funds | 17 | <u>1,712,268</u> | <u>965,192</u> |

These financial statements were approved by the directors and authorised for issue on 23 May 2016, and are signed on their behalf by:



H Shah

Director

Company Registration Number: 06355644

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the principal activity of the company.
 An analysis of turnover is given below:

| | 2015 £ | 2014 £ |
|----------------|-------------------|-------------------|
| United Kingdom | <u>18,644,468</u> | <u>16,204,415</u> |

2 Other operating charges

| | 2015 £ | 2014 £ |
|-------------------------|-------------------|-------------------|
| Administrative expenses | <u>17,915,742</u> | <u>15,469,691</u> |

3 Operating profit

Operating profit is stated after charging/(crediting):

| | 2015 £ | 2014 £ |
|--|------------------|------------------|
| Depreciation of owned fixed assets | 646,228 | 536,774 |
| Auditor's remuneration: | | |
| Audit fees | 6,800 | 49,773 |
| Non-audit fees | 39,400 | 28,512 |
| Operating Lease costs.- land and buildings | 190,676 | 169,990 |
| Net profit on foreign currency translation | <u>(283,949)</u> | <u>(122,266)</u> |

4 Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

| | 2015 No | 2014 No |
|--------------------------------|------------|------------|
| Number of administrative staff | <u>136</u> | <u>118</u> |

The aggregate payroll costs of the above were:

| | 2015 £ | 2014 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 6,071,200 | 5,664,246 |
| Social security costs | 607,331 | 517,515 |
| Other pension costs | 46,713 | 51,855 |
| | <u>6,725,244</u> | <u>6,233,616</u> |

5 Directors

Remuneration in respect of directors was as follows:

| | 2015 £ | 2014 £ |
|-----------------------|----------------|----------------|
| Emoluments | 805,155 | 666,435 |
| Pension contributions | 1,054 | 4,457 |
| | <u>806,109</u> | <u>670,892</u> |

One director is in a company pension scheme (2014 -1).

Remuneration of highest paid director:

| | 2015 £ | 2014 £ |
|------------|----------------|----------------|
| Emoluments | <u>353,630</u> | <u>361,037</u> |

There were no pension contributions in the year (2014 – none).

6 Taxation on ordinary activities

(a) Analysis of charge in the year

| | 2015 £ | 2014 £ |
|--|------------------|-----------------|
| Current tax: | | |
| UK Corporation tax based on the results for the year at 20.58% (2014 – 22.16%) | 293,265 | 565,059 |
| Under provision in prior year | 43,648 | 7,712 |
| Total current tax | <u>336,913</u> | <u>572,771</u> |
| Deferred tax: | | |
| Origination and reversal of timing differences (note 11) | (138,094) | (14,516) |
| Adjustments in respect of prior periods | - | (12,041) |
| Total deferred tax (note 11) | <u>(138,094)</u> | <u>(26,557)</u> |
| Tax on profit on ordinary activities | <u>198,819</u> | <u>546,214</u> |

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20.58% (2014 – 22.16%).

| | 2015 £ | 2014 £ |
|--|----------------|------------------|
| Profit on ordinary activities before taxation | <u>945,895</u> | <u>8,156,724</u> |
| Profit on ordinary activities by rate of tax | 194,674 | 1,807,547 |
| Fixed asset differences | 756 | 676 |
| Expenses not deductible for tax purposes | 80,093 | 268,178 |
| Income not deductible for tax purposes | - | (1,595,520) |
| Capital allowances for period in excess of depreciation | (35,907) | 42,075 |
| Adjustments to tax charge in respect of previous periods | 43,648 | 7,712 |
| Other short term timing differences | 53,649 | 42,103 |
| Total current tax (note 6(a)) | <u>336,913</u> | <u>572,771</u> |

7 Dividends

| | 2015 £ | 2014 £ |
|----------------------------|-----------|-----------|
| Ordinary shares of £1 each | | |
| Interim dividend paid | - | 8,900,000 |

8 Tangible fixed assets

| | Leasehold Land & Buildings £ | Fixtures & Fittings £ | Equipment £ | Total £ |
|---------------------|---------------------------------------|-----------------------------|------------------|------------------|
| Cost | | | | |
| At 1 September 2014 | 117,219 | 207,766 | 2,882,857 | 3,207,842 |
| Additions | 86,599 | 38,920 | 680,107 | 805,626 |
| At 31 August 2015 | <u>203,818</u> | <u>246,686</u> | <u>3,562,964</u> | <u>4,013,468</u> |
| Depreciation | | | | |
| At 1 September 2014 | 52,822 | 190,786 | 2,022,918 | 2,266,526 |
| Charge for the year | 30,214 | 19,281 | 596,733 | 646,228 |
| Disposals | - | - | - | - |
| At 31 August 2015 | <u>83,036</u> | <u>210,067</u> | <u>2,619,651</u> | <u>2,912,754</u> |
| Net book value | | | | |
| At 31 August 2015 | <u>120,782</u> | <u>36,619</u> | <u>943,313</u> | <u>1,100,714</u> |
| At 31 August 2014 | <u>64,397</u> | <u>16,980</u> | <u>859,939</u> | <u>941,316</u> |

9 Investments

| | £ |
|--------------------------------------|------------|
| Cost | |
| At 31 August 2014 and 31 August 2015 | <u>300</u> |
| Net book value | |
| At 31 August 2014 and 31 August 2013 | <u>300</u> |

At 31 August 2015 the company held more than 20% of the allotted share capital of the following subsidiary undertakings all of which are incorporated in England & Wales unless otherwise noted:

| Subsidiary undertakings | Class of share held | Proportion of voting rights and shares held | Nature of business |
|-------------------------|---------------------|---|--------------------|
|-------------------------|---------------------|---|--------------------|

Direct shareholdings

| | | | |
|----------------------------------|-----------------|------|------------------------------|
| Stafford House Companies Limited | Ordinary shares | 100% | Intermediate holding company |
| CEG UFP Limited | Ordinary shares | 100% | Intermediate holding company |
| CEG Colleges Limited | Ordinary shares | 100% | Intermediate holding company |

| Subsidiary undertakings | Class of share held | Proportion of voting rights and shares held | Nature of business |
|--|---------------------|---|--|
| <u>Indirect shareholdings</u> | | | |
| Cambridge Arts & Sciences Limited | Ordinary shares | 100% | Pre-university study programmes |
| CATS Canterbury Limited | Ordinary shares | 100% | Pre-university study programmes |
| CATS Colleges London Limited | Ordinary shares | 100% | Pre-university study programmes |
| Stafford House Study Holidays Limited | Ordinary shares | 100% | Summer English language programmes |
| Stafford House School of English Limited | Ordinary shares | 100% | Year round English language programmes |
| London South Bank FoundationCampus Limited | Ordinary shares | 100% | Provision of on site university foundation courses |
| CEG UCLAN Foundation Campus Limited | Ordinary shares | 100% | Provision of on site university foundation courses |
| Coventry Foundation Campus Limited | Ordinary shares | 100% | Provision of on site university foundation courses |
| FoundationCampus London Limited | Ordinary shares | 100% | Provision of on site university foundation courses |
| CEG FoundationCampus Sunderland Limited | Ordinary shares | 100% | Provision of on site university foundation courses |
| Amsterdam FoundationCampus B.V.* | Ordinary shares | 100% | Provision of on site university foundation courses |
| CEG Hong Kong Limited † | Ordinary shares | 100% | Provision of on site university foundation courses |
| CATS Retail Limited | Ordinary shares | 100% | Dormant |
| Cambridge School of Arts & Design Limited | Ordinary shares | 100% | Dormant |
| Cambridge School of Visual & Performing Arts Limited | Ordinary shares | 100% | Dormant |
| Study Holidays Limited | Ordinary shares | 100% | Dormant |
| OnCampus Hull Limited | Ordinary shares | 100% | Dormant |

*Incorporated in the Netherlands.

† Incorporated in Hong Kong

10 Debtors

| Amounts falling due within one year | 2015 | 2014 |
|--|-------------------|------------------|
| | £ | £ |
| Trade debtors | - | 804 |
| Amounts owed by group undertakings | 14,634,064 | 7,841,665 |
| Prepayments and accrued income | 727,739 | 364,028 |
| Deferred taxation (note 11) | 314,303 | 176,209 |
| | <u>15,676,106</u> | <u>8,382,706</u> |
| Amounts falling due after more than one year | 2015 | 2014 |
| | £ | £ |
| Amounts owed by group undertakings | <u>5,045,989</u> | <u>3,708,403</u> |

Amounts due over one year represent interest bearing loans which have no fixed repayment date and are not expected to be repaid within one year.

11 Deferred taxation

The deferred tax included in the Balance sheet is as follows:

| | | |
|-------------------------------|----------------|----------------|
| | 2015 | 2014 |
| | £ | £ |
| Included in debtors (note 10) | <u>314,303</u> | <u>176,209</u> |

The movement in the deferred taxation account during the year was:

| | | |
|--|----------------|----------------|
| | 2015 | 2014 |
| | £ | £ |
| Balance brought forward | 176,209 | 149,652 |
| Profit and loss account movement arising during the year | 138,094 | 26,557 |
| Balance carried forward | <u>314,303</u> | <u>176,209</u> |

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

| | | |
|---|----------------|----------------|
| | 2015 | 2014 |
| | £ | £ |
| Excess of taxation allowances over depreciation on fixed assets | 287,746 | 149,652 |
| Short term timing differences | 26,557 | 26,557 |
| | <u>314,303</u> | <u>176,209</u> |

12 Creditors: amounts falling due within one year

| | | |
|------------------------------------|-------------------|-------------------|
| | 2015 | 2014 |
| | £ | £ |
| Bank overdraft | 10,967,405 | 8,733,929 |
| Trade creditors | 715,641 | 171,001 |
| Amounts owed to group undertakings | 6,423,616 | 495,860 |
| Corporation tax | 293,265 | 565,059 |
| Social security and other taxes | 2,007 | 84,589 |
| Accruals and deferred income | 1,708,907 | 2,017,095 |
| | <u>20,110,841</u> | <u>12,067,533</u> |

13 Contingent liabilities

The company has guaranteed the syndicated bank loans of its intermediate parent company, Camelot Bidco Limited. At 31 August 2015 these amounted to £90.3m (2014 - £82.0m).

14 Related party transactions

As a wholly owned subsidiary of Cambridge Education Group Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group.

15 Share capital

Authorised share capital:

| | 2015 £ | 2014 £ |
|--------------------------------|------------|------------|
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

Allotted, called up and fully paid:

| | 2015 | | 2014 | |
|--------------------------------|------------|------------|------------|------------|
| | No | £ | No | £ |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

16 Profit and loss account

| | 2015 £ | 2014 £ |
|-------------------------------|------------------|----------------|
| Balance brought forward | 965,092 | 2,254,582 |
| Profit for the financial year | 747,076 | 7,610,510 |
| Dividends | - | (8,900,000) |
| Balance carried forward | <u>1,712,168</u> | <u>965,092</u> |

17 Reconciliation of movements in shareholders' funds

| | 2015 £ | 2014 £ |
|-------------------------------|------------------|------------------|
| Profit for the financial year | 747,076 | 7,610,510 |
| Dividends | - | (8,900,000) |
| Opening shareholders' funds | <u>965,192</u> | <u>2,254,682</u> |
| Closing shareholders' funds | <u>1,712,268</u> | <u>965,192</u> |

18 Ultimate controlling party

The immediate parent company is Cambridge Education Group Limited, a company incorporated in England and Wales.

The ultimate parent company is Camelot Topco Limited, a company incorporated in England and Wales.

The ultimate controlling party is Bridgepoint Europe IV Fund, managed by Bridgepoint Advisers Limited, which owns the majority of the shares in the ultimate parent company on behalf of various funds.

Camelot Topco Limited, is the parent undertaking of the largest group which prepares publicly available consolidated financial statements. Cambridge Education Group Limited is the parent undertaking of the smallest group which prepares publically available consolidated financial statements. Copies of the consolidated financial statements may be obtained from Companies House.