

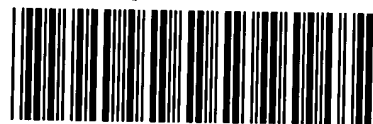
Registered number: 01895361

JUSTIN CRAIG EDUCATION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD BETWEEN 1 JULY 2015 AND 31 DECEMBER 2016.

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JUSTIN CRAIG EDUCATION LIMITED

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JUSTIN CRAIG EDUCATION LIMITED

COMPANY INFORMATION

Directors

N W K Stout
M A McInroy
S H Coles
P M Stevens
D Jones
A V A Thick

Registered number

01895361

Registered office

Tyttenhanger House
Coursers Road
Colney Heath
St. Albans
Hertfordshire
AL4 0PG

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Portland Building
25 High Street
Crawley
RH10 1BG

Bankers

HSBC Bank plc
60 Queen Victoria Street
London
EC4N 4TR

JUSTIN CRAIG EDUCATION LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016

The directors present their annual report and the audited financial statements for Justin Craig Education Limited (the "company") for the period ended 31 December 2016. The comparative period for these financial statement is the year ended 30 June 2015.

Results

The loss for the financial period after tax amounted to £294,565 (2015: profit of £116,622). The net assets in the business totalled £242,917 at 31 December 2016 (2015: £537,482).

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

Directors

The directors who served during the period and up to the date of approval of these financial statement, unless otherwise stated, were:

N W K Stout
J Kaufman (resigned 5 January 2016)
M A McInroy
S H Coles
P M Stevens (appointed 14 October 2015)
D Jones (appointed 5 January 2016)
A V A Thick (appointed 5 January 2016)

Going concern

The financial statements have been prepared on a going concern basis, which the directors believe to be appropriate since they have received an undertaking from Kaplan Inc., an intermediate parent undertaking, that it will continue to provide financial support as is required for the company to meet its obligations as they fall due for at least one year after these financial statements are signed.

JUSTIN CRAIG EDUCATION LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

Employee involvement

The Company remains committed to providing a positive and motivating work culture for all employees. The Company has arrangements through briefings, electronic mail and in-house intranet for communicating effectively with employees and ensuring that all employees are aware of the financial and economic performance of their business units and of the Company as a whole. The Company has a flexible and supportive approach to maternity and parental leave returners, and as a result a high percentage continue working with the Company, many in part-time and job sharing roles.

Disabled employees

It is the policy of the company that disabled people, whether registered or not, should receive full and fair consideration for all job vacancies for which they are suitable applicants. Arrangements are made, wherever possible, for retraining employees who become disabled to enable them to perform work identified as appropriate to their aptitudes and abilities.

Disclosure of information to auditor

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

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The director has taken all the steps that ought to have been 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.

Post balance sheet events

There have been no significant events affecting the Company since the period end.

Auditors

Grant Thornton UK LLP resigned as auditors of the company during the period. PricewaterhouseCoopers LLP were appointed by the directors as auditors to fill a casual vacancy. A resolution to appoint PricewaterhouseCoopers LLP as auditors will be proposed at the Annual General Meeting.

Small Companies

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and the company is exempt from the requirements to prepare a strategic report.

This report was approved by the board on 14 December 2017 and signed on its behalf.



M A McInroy
Director

JUSTIN CRAIG EDUCATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUSTIN CRAIG EDUCATION LIMITED

Report on the financial statements

Our opinion

In our opinion, Justin Craig Education Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the 18 month period (the "period") 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.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 December 2016;
- the statement of comprehensive income for the period then ended;
- the statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements set out on page 2, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

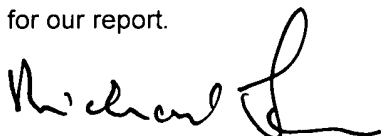
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report 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.



Michael Jones (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
14 December 2017

JUSTIN CRAIG EDUCATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2016

	Note	Period ended 31 Dec 2016 £	Year ended 30 Jun 2015 £
Turnover	4	1,910,314	2,228,076
Cost of sales		(854,845)	(901,067)
Gross profit		1,055,469	1,327,009
Administrative expenses		(1,115,084)	(978,580)
Distribution costs		(241,648)	(232,170)
Operating (loss)/profit	5	(301,263)	116,259
Interest receivable and similar income	8	849	450
Interest payable and similar expenses	9	-	(87)
Net interest receivable		849	363
(Loss)/profit before taxation		(300,414)	116,622
Tax on (loss)/profit	10	5,849	-
(Loss)/profit for the financial period/year		(294,565)	116,622
Other comprehensive income for the period/year		-	-
Total comprehensive income for the financial period/year		(294,565)	116,622

The notes on pages 9 to 18 form part of these financial statements.

JUSTIN CRAIG EDUCATION LIMITED

REGISTERED NUMBER: 01895361

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31 Dec 2016 £	30 Jun 2015 £
Fixed assets			
Tangible assets	11	<u>22,506</u>	<u>62,989</u>
		22,506	62,989
Current assets			
Debtors: amounts falling due within one year	12	335,656	170,501
Cash at bank and in hand	13	<u>288,671</u>	<u>509,676</u>
		624,327	680,177
Creditors: amounts falling due within one year	14	<u>(403,916)</u>	<u>(205,684)</u>
Net current assets		<u>220,411</u>	<u>474,493</u>
Total assets less current liabilities		242,917	537,482
Net assets		<u>242,917</u>	<u>537,482</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	17	<u>242,817</u>	<u>537,382</u>
Total equity		<u>242,917</u>	<u>537,482</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 December 2017 by:



M A McInroy
Director

The notes on pages 9 to 18 form part of these financial statements.

JUSTIN CRAIG EDUCATION LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2016**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2015	100	537,382	537,482
Comprehensive income for the period			
Loss for the period	-	(294,565)	(294,565)
Total comprehensive income for the period	-	(294,565)	(294,565)
At 31 December 2016	100	242,817	242,917

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2014	100	420,760	420,860
Comprehensive income for the year			
Profit for the year	-	116,622	116,622
Total comprehensive income for the year	-	116,622	116,622
At 30 June 2015	100	537,382	537,482

The notes on pages 9 to 18 form part of these financial statements.

JUSTIN CRAIG EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

1. General information

Justin Craig Education Limited is a private limited company limited by shares, registered and incorporated in England. The company's registered office is Tyttenhanger House, Coursers Road, Colney Heath, St. Albans, Hertfordshire, AL4 0PG. The activity of the company is the provision of education through short revision courses held at multiple locations throughout the year.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 21.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis, which the directors believe to be appropriate since they have received an undertaking from Kaplan Inc., an intermediate parent undertaking, that it will continue to provide financial support as is required for the company to meet its obligations as they fall due for at least one year after these financial statements are signed.

2.3 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The company is a qualifying entity as its results are consolidated into the financial statements of Graham Holdings Company, the company's ultimate parent, which are publicly available.

The Company has taken advantage of the following exemptions in its individual financial statements:

- (i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102
- (ii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and the end of the period as required by paragraph 4.12(a)(iv) of FRS 102;
- (iii) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102 and;
- (iv) Non-disclosure of transactions or balances with entities that are part of the group or investments of the group qualifying as related parties where 100% of the company's voting rights are controlled within the group. This is a requirement under FRS 102.33.1A.

2.4 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the period, exclusive of Value Added Tax and trade discounts. Turnover is invoiced as services are provided.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised.

JUSTIN CRAIG EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following basis:

Fixtures and fittings	-	33% on cost
Office equipment and software costs	-	33% on cost and 20% on cost

2.6 Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

2.7 Current and deferred taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These 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 recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.8 Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.9 Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.10 Financial instruments

The company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognized. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

JUSTIN CRAIG EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.10 Financial instruments (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is amortised over the period of the facility to which it relates.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

JUSTIN CRAIG EDUCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

There are no material judgements or estimates in the preparation of these financial statements.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company, the operation of revision courses. All turnover arose within the United Kingdom.

	Period ended 31 Dec 2016	Year ended 30 Jun 2015
	£	£
Tuition fees	<u>1,910,314</u>	<u>2,228,076</u>

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	Period ended 31 Dec 2016	Year ended 30 Jun 2015
	£	£
Depreciation of tangible fixed assets	43,905	28,471
Fees payable to the company's auditors in respect of the audit of the company's financial statements	5,677	6,850
Pension costs	<u>4,632</u>	<u>3,375</u>

6. Employees

Staff costs, including directors' remuneration, were as follows:

	Period ended 31 Dec 2016	Year ended 30 Jun 2015
	£	£
Wages and salaries	1,205,833	1,001,857
Social security costs	71,395	43,760
Cost of defined contribution scheme	<u>4,632</u>	<u>3,375</u>
	<u>1,281,860</u>	<u>1,048,992</u>

The average monthly number of employees, including the directors, during the period was as follows:

Period ended 31 Dec 2016	Year ended 30 Jun 2015
No.	No.
<u>16</u>	<u>15</u>

JUSTIN CRAIG EDUCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

7. Directors' remuneration

	Period ended 31 Dec 2016 £	Year ended 30 Jun 2015 £
Remuneration	93,568	205,036
Company contributions to defined contribution pension schemes	702	2,050
	94,270	207,086

During the period retirement benefits were accruing to 1 director (2015: 2) in respect of defined contribution pension schemes.

8. Interest receivable and similar income

	Period ended 31 Dec 2016 £	Year ended 30 Jun 2015 £
Other interest receivable	849	450

9. Interest payable and similar charges

	Period ended 31 Dec 2016 £	Year ended 30 Jun 2015 £
Bank interest payable	-	87

10. Taxation

	Period ended 31 Dec 2016 £	Year ended 30 Jun 2015 £
Corporation tax		
Current tax on profits for the year	-	-
Adjustments in respect of previous periods	(5,849)	-
Total current tax	(5,849)	-
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Taxation of profit on ordinary activities	(5,849)	-

JUSTIN CRAIG EDUCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

10. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.75%). The differences are explained below:

	Period ended 31 Dec 2016	Year ended 30 Jun 2015
	£	£
(Loss)/Profit on ordinary activities before tax	<u>(300,414)</u>	<u>116,622</u>
(Loss)/Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015:20.75%)	(60,083)	24,199
Effects of:		
Group relief	52,016	(24,199)
Impact of tax rate changes	8,067	-
Adjustments to tax charge in respect of prior periods	<u>(5,849)</u>	<u>-</u>
Total tax charge for the period/year	<u>(5,849)</u>	<u>-</u>

Deferred tax

	Period ended 31 Dec 2016	Year ended 30 Jun 2015
	£	£
Origination and reversal of timing differences	<u>-</u>	<u>-</u>
Balance at end of the period/year	<u>-</u>	<u>-</u>

The company has not recognised the deferred tax asset on gross losses and other deductions of £162,173 (2015: £162,173) since the directors cannot estimate with reasonable certainty that adequate tax profits will be available in future years to utilise these losses. The company has no material deferred tax assets or liabilities provided or unprovided at 31 December 2016 and 30 June 2015.

Factors affecting current and future tax charges:

The standard rate of corporation tax in the UK during the period is 20%. Accordingly the company's result for the accounting period is taxed at an effective rate of 20% (2015: 20.25%).

During the year the Finance Act was substantively enacted on 15 September 2016. This Act included provisions reducing the main rate of UK corporation tax to 17% from 1 April 2020. Accordingly, the relevant deferred tax balances have been re-measured using the future UK corporation tax rate of 17%.

JUSTIN CRAIG EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016

11. Tangible fixed assets

	Fixtures and fittings £	Office equipment and software costs £	Total £
Cost			
At 1 July 2015	16,010	143,683	159,693
Additions	1,310	2,112	3,422
At 31 December 2016	17,320	145,795	163,115
Accumulated depreciation			
At 1 July 2015	10,338	86,366	96,704
Charge for the period	4,092	39,813	43,905
At 31 December 2016	14,430	126,179	140,609
Net book value			
At 31 December 2016	2,890	19,616	22,506
At 30 June 2015	5,672	57,317	62,989

12. Debtors

	31 Dec 2016 £	30 Jun 2015 £
Trade debtors	155,802	25,343
Amounts owed by group undertakings	100,625	124,206
Other debtors	79,229	20,952
	335,656	170,501

Amounts owed by group undertakings are unsecured, interest free, and are repayable on demand.

13. Cash at bank and in hand

	31 Dec 2016 £	30 Jun 2015 £
Cash at bank and in hand	288,671	509,676

JUSTIN CRAIG EDUCATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

14. Creditors: amounts falling due within one year

	31 Dec 2016	30 Jun 2015
	£	£
Trade creditors	19,375	50,426
Other taxation and social security	60,524	50,115
Other creditors	324,017	105,143
	403,916	205,684

15. Financial instruments

	31 Dec 2016	30 Jun 2015
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	155,802	25,343
Amounts owed by group undertakings	100,625	124,206
	256,427	149,549

Financial liabilities measured at amortised cost

Trade creditors	19,375	50,426
Other taxation and social security	60,524	50,115
Other creditors	324,017	105,143
	403,916	205,684

16. Share capital

	31 Dec 2016	30 Jun 2015
	£	£
Allotted and fully paid		
100 Ordinary shares of £1 each	100	100

17. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses

JUSTIN CRAIG EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

18. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operation leases as follows:

	31 Dec 2016	30 Jun 2015
	£	£
Within one year	<u>31,429</u>	<u>31,928</u>

19. Related party transactions

The company has taken advantage of the exemption allowed in accordance with FRS 102 paragraph 33.1A and has not disclosed details of related party transactions within wholly owned group companies.

20. Controlling party

The immediate parent company is Justin Craig Education Holding Limited.

The only group in which the results of the company are consolidated is that headed by the ultimate holding company and controlling party, Graham Holdings Company, which is incorporated in the U.S.A. Copies of its consolidated financial statement can be found online at: <http://www.ghco.com/phoenix.zhtml?c=62487pp=irol-reportsannual>.

21. Transition to FRS 102

This is the first period that the Company has presented its results under FRS 102. The last financial statement under the UK GAAP were for the year ended 30 June 2015. The date of transition to FRS 102 was 1 July 2014. There were no adjustments noted in the profit for the financial year ended 30 June 2015 and the total equity as at 1 July 2014 and 30 June 2015 between UK GAAP as previously reported and FRS 102.

Other adjustments arising on transition to FRS 102

Company software with a net book value of £23,000 at 1 July 2014 has not been reclassified from tangible to intangible assets as required under FRS 102. This has no effect on the company's net assets nor on the profit for the year, except that the previous depreciation charge is now described as amortisation. The charge continues to be presented within administrative expenses.