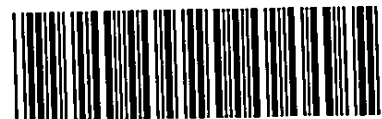


Adkins & Matchett (UK) Limited
Annual Report and Financial Statements
18 months ended 30 June 2010

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Adkins & Matchett (UK) Limited

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Company Information

Directors

A Matchett
A Ward
SP Broome
SK Roberts
RB Brookes
WB Howarth

Secretary

RE Cockton

Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RN

Registered office

19-21 Christopher Street
London
EC2A 2BS

Registered number

03402949

Adkins & Matchett (UK) Limited

Directors' Report

The directors present their annual report and financial statements for the 18 month period ended 30 June 2010

Principal activities and review of the business

The company's principal activity during the period continued to be the provision of specialist technical training for financial institutions

The company changed its accounting reference date to 30 June. As a result these financial statements are for the 18 month period ended 30 June 2010. The comparatives disclose the 12 month period ended 31 December 2008.

Key Performance Indicators

The directors consider that operating profit is the key target.

Results and dividends

The profit for the period end, after taxation, amounted to £205,963 (2008 £888,472). Dividends proposed and paid are £750,000 (2008 £nil). Retained earnings carried forward total £2,743,425 (2008 £3,249,280).

Future developments

Adkins & Matchett (UK)'s ("AMT UK") strategy is to deliver sustainable and growing profits from servicing the training requirements of selected professional business markets throughout the UK, Europe and Asia. This is accompanied by a continued commitment to build strong management teams, organisational effectiveness, investment in technology and tight cost control.

We aim to deliver strong sustainable profit growth in our key market sectors by

- Focussing investment, both acquisitive and organic, on those markets,
- Providing leading training products that meet the needs of professionals in their markets,
- Investing in online and digital technology to create new products, access new markets and to efficiently manage our business, and
- Maintaining strong sales and marketing capability

Principal risks and uncertainties

The key challenges facing AMT UK arise from the highly competitive and rapidly changing nature of our markets and by the economic cycle on training and expenditure.

AMT UK reviews its principal risks and uncertainties six monthly in accordance with its parent company's policy.

Adkins & Matchett (UK) Limited

Directors' Report

Financial risk management

Cash, debt and foreign exchange exposure are managed on a group wide basis by the company's ultimate parent company, Wilmington Group plc. The company operates with funding policies controlled by the executive directors of the parent company.

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

The company has some customers overseas and certain customers are invoiced in US dollars and Euros which provides a stable currency base. The company maintains bank accounts in foreign currency and this is converted to Sterling at appropriate times according to the ultimate parent company's policy.

Company's people

The directors believe that the only way the company can achieve its desired level of growth is to attract and retain the very best people. It does this by ensuring that the company remains a place where individuals have the opportunity to challenge themselves, to develop both professionally and personally and where they can benefit from competitive remuneration packages.

Corporate social responsibility

The board seeks to run a socially responsible company which has a positive impact on the communities in which it operates. It seeks to employ a workforce that reflects the diversity of both its customers and the communities in which it is located. It does not discriminate on the grounds of age, sex, race, colour, ethnicity, religion, sexual orientation or disability.

Environmental policies

Whilst the company has no manufacturing base and therefore produces no major polluting emissions that affect the environment, it remains mindful of its impact on the environment. The principal environmental impacts arise from its usage of paper and the printing and packaging waste generated by suppliers during the course of their provision of services to the company. The company aims to mitigate these impacts by informed purchasing policies and by selecting suppliers with a responsible approach to environmental matters.

Directors

The following persons served as directors during the period and up to the date the financial statements were signed:

- A Matchett
- A Ward
- CJ Brady
- RB Brookes
- SP Broome
- WB Howarth
- SK Roberts

Adkins & Matchett (UK) Limited Directors' Report

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report 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 prepared 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 of the profit or loss of the company 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the accounts 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.

Disclosure of information to auditors

So far as each director at the date of approval of this report is aware:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the board on


A Matchett
Director

18/1/11

**Independent auditors' report
to the members of Adkins & Matchett (UK) Limited**

We have audited the financial statements of Adkins & Matchett (UK) Limited for the 18 month period ended 30 June 2010 which comprise the Profit and Loss Account, the 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4 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 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.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the 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.

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 30 June 2010 and of its profit for 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.

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.

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:

- 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.



Julian Jenkins (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London



Adkins Matchett (UK) Limited

**Profit and Loss Account
for the period from 1 January 2009 to 30 June 2010**

		18 months ended 30-Jun 2010 £	12 months ended 31-Dec 2008 £
	Notes		
Turnover	2	2,596,486	3,539,911
Cost of sales		(508,781)	(912,568)
Gross profit		<u>2,087,705</u>	<u>2,627,343</u>
Administrative expenses		(1,735,000)	(1,393,640)
Operating profit	3	<u>352,705</u>	<u>1,233,703</u>
Interest receivable	6	-	3,965
Interest payable	6	(25,786)	-
Profit on ordinary activities before taxation		<u>326,919</u>	<u>1,237,668</u>
Tax on profit on ordinary activities	7	(120,956)	(349,196)
Profit for the period		<u>205,963</u>	<u>888,472</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two periods

Statement of total recognised gains and losses

The company has no recognised gains or losses other than profit for the above two periods

Adkins Matchett (UK) Limited

**Balance Sheet
as at 30 June 2010**

	Notes	30-Jun 2010 £	31-Dec 2008 £
Fixed assets			
Tangible assets	8	27,674	24,581
		<u>27,674</u>	<u>24,581</u>
Current assets			
Stocks	9	24,647	14,657
Debtors	10	3,010,767	3,362,514
Cash at bank and in hand		28,110	1,508,914
		<u>3,063,524</u>	<u>4,886,085</u>
Creditors: amounts falling due within one year	11	(347,673)	(1,660,117)
Net current assets		<u>2,715,851</u>	<u>3,225,968</u>
Total assets less current liabilities		<u>2,743,525</u>	<u>3,250,549</u>
Provisions for liabilities			
Deferred taxation	12	-	(1,169)
Net assets		<u>2,743,525</u>	<u>3,249,380</u>
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account	14	2,743,425	3,249,280
Total shareholders' funds	16	<u>2,743,525</u>	<u>3,249,380</u>


A. Matchett
Director

Approved by the board on

Company registered number
3402949

18/1/11

**Notes to the Financial Statements
for the period from 1 January 2009 to 30 June 2010**

1 Accounting policies

Accounting convention

The accounts have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom Accounting Standards which have been consistently applied

The company changed its accounting reference date to 30 June. As a result these financial statements are for the 18 month period ended 30 June 2010. The comparatives disclose the 12 month period ended 31 December 2008.

Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	over 3 years
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Stocks

Stock is valued at the lower of cost and net realisable value.

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the balance sheet date.

Exchange gains and losses are recognised in the profit and loss account.

Leasing and hire purchase commitments

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

Share based payments

The company has adopted Financial Reporting standard 20 'share based payments'. As a result of this, a charge is made to the profit and loss account to reflect the calculated fair value of employee share options over and above the exercise price paid by employees. This charge is calculated at the date of grant of the options and is charged over the vesting period. The corresponding adjustment to reserves is made directly to the profit and loss account.

Notes to the Financial Statements
for the period from 1 January 2009 to 30 June 2010

1 Accounting policies (continued)

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. The pension charge represents the amounts payable by the company to the fund in respect of the year.

2 Turnover

Turnover is attributable to one class of business

	18 months ended	12 months ended
	30-Jun	31-Dec
Analysis by geographical market	2010	2008
	£	£
United Kingdom	1,761,524	1,847,791
Rest of the World	834,962	1,692,120
	<u>2,596,486</u>	<u>3,539,911</u>

3 Operating profit

	18 months ended	12 months ended
	30-Jun	31-Dec
	2010	2008
	£	£
This is stated after charging		
Depreciation of owned fixed assets	26,251	15,615
Auditors' remuneration for audit services	7,000	5,000
Auditors' remuneration for other services	848	458
	<u></u>	<u></u>

4 Directors' emoluments

	18 months ended	12 months ended
	30-Jun	31-Dec
	2010	2008
	£	£
Aggregate emoluments	530,072	374,969
	<u>530,072</u>	<u>374,969</u>
Highest paid director		
Aggregate emoluments	284,263	175,495
	<u>284,263</u>	<u>175,495</u>

**Notes to the Financial Statements
for the period from 1 January 2009 to 30 June 2010**

5 Staff costs	18 months ended 30-Jun 2010 £	12 months ended 31-Dec 2008 £
Wages and salaries	1,391,567	1,071,394
Social security costs	164,936	143,361
Other pension costs	26,960	32,601
Share based payment	38,182	-
	<u>1,621,645</u>	<u>1,247,356</u>
 Average number of employees during the period	 Number	 Number
Administration	4	11
Directors	2	2
Sales & Distribution	13	11
	<u>19</u>	<u>24</u>
 6 Interest payable and interest receivable	 18 months ended 30-Jun 2010 £	 12 months ended 31-Dec 2008 £
Bank loans and overdrafts	25,786	-
Bank interest receivable and similar income	-	(3,965)
	<u>25,786</u>	<u>(3,965)</u>

Notes to the Financial Statements
for the period from 1 January 2009 to 30 June 2010

7 Taxation

	18 months ended 30-Jun 2010 £	12 months ended 31-Dec 2008 £
Analysis of charge in period		
Current tax		
UK corporation tax on profits of the period	103,808	349,384
Prior year adjustment	31,317	-
	<u>135,125</u>	<u>349,384</u>
Deferred tax		
Origination and reversal of timing differences	(14,169)	(188)
Tax on profit and ordinary activities	<u>120,956</u>	<u>349,196</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	18 months ended 30-Jun 2010 £	12 months ended 31-Dec 2008 £
Profit on ordinary activities before tax	<u>326,919</u>	<u>1,237,668</u>
Standard rate of corporation tax in the UK	28%	30%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	91,537	371,300
Effects of		
Expenses not deductible for tax purposes	10,691	(21,916)
Capital allowances for period in excess of depreciation	1,580	-
Adjustments to tax charge in respect of previous periods	31,317	-
Current tax charge for period	<u>135,125</u>	<u>349,384</u>

**Notes to the Financial Statements
for the period from 1 January 2009 to 30 June 2010**

8 Tangible fixed assets

	Plant and machinery £	Total £
Cost		
At 1 January 2009	63,425	63,425
Additions	29,344	29,344
At 30 June 2010	<u>92,769</u>	<u>92,769</u>
Depreciation		
At 1 January 2009	38,844	38,844
Charge for the period	26,251	26,251
At 30 June 2010	<u>65,095</u>	<u>65,095</u>
Net book value		
At 30 June 2010	<u>27,674</u>	<u>27,674</u>
At 31 December 2008	<u>24,581</u>	<u>24,581</u>

9 Stocks

	2010 £	2008 £
Training books and materials	<u>24,647</u>	<u>14,657</u>
	<u>24,647</u>	<u>14,657</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

10 Debtors

	2010 £	2008 £
Trade debtors	383,924	136,753
Amounts owed by group undertakings	2,591,095	3,198,033
Deferred tax	13,000	-
Prepayments and accrued income	22,748	27,728
	<u>3,010,767</u>	<u>3,362,514</u>

Adkins Matchett (UK) Limited

**Notes to the Financial Statements
for the period from 1 January 2009 to 30 June 2010**

11 Creditors: amounts falling due within one year	2010	2008
	£	£
Trade creditors	44,767	18,784
Amounts owed to group undertakings	31,134	763,108
Corporation tax	79,670	574,584
Other taxes and social security costs	56,773	44,072
Accruals and deferred income	135,329	259,569
	<u>347,673</u>	<u>1,660,117</u>
 12 Deferred taxation	 2010	 2008
	£	£
Capital allowances in excess of depreciation/ Accelerated capital allowances	(2,691)	1,357
Tax losses carried forward	-	(188)
Share based payments	(10,309)	-
(Deferred tax asset)/ provision for deferred tax	<u>(13,000)</u>	<u>1,169</u>
	2010	2008
	£	£
At 1 January	1,169	1,353
Deferred tax credit in profit and loss account	(14,169)	(184)
	<u>(13,000)</u>	<u>1,169</u>
At 30 June/ 31 December		
 13 Share capital	 2010	 2008
	£	£
Authorised		
Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
 14 Profit and loss account	 2010	 2008
	£	£
At 1 January	3,249,280	2,360,808
Profit for the period	205,963	888,472
Dividends Paid	(750,000)	-
Share based payments	38,182	-
At 30 June/ 31 December	<u>2,743,425</u>	<u>3,249,280</u>

Adkins Matchett (UK) Limited

Notes to the Financial Statements for the period from 1 January 2009 to 30 June 2010

15 Dividends	2010 £	2008 £
Dividends for which the company became liable during the period		
Dividends paid (£750 per share, 2008 £nil per share)	750,000	-
	<u>750,000</u>	<u>-</u>

16 Reconciliation of movement in shareholders' funds	2010 £	2008 £
At 1 January	3,249,380	2,360,908
Profit for the financial period	205,963	888,472
Dividends	(750,000)	-
Share based payments	38,182	-
At 30 June/ 31 December	<u>2,743,525</u>	<u>3,249,380</u>

17 Pension commitments

The pension charge represents contributions payable by the company to the fund and amounted to £26,960 for the period ending 30 June 2010 (2008 £32,601)

18 Related parties

At the year end £21,377 (2008 £55,832) was owed to Central Law Training Limited
At the year end £9,757 (2008 £nil) was owed to Central Law Training Group Limited
All transactions between group subsidiaries during the period were cost recharges and interest

19 Controlling party

The company is controlled by its immediate parent undertaking, The Matchett Group Limited
The company is ultimately controlled by Wilmington Group Plc
The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Wilmington Group Plc. In the opinion of the directors this is the company's ultimate parent company

Adkins Matchett (UK) Limited

**Notes to the Financial Statements
for the period from 1 January 2009 to 30 June 2010**

20 Share based payments

Under the Matchett Group Unapproved Share Option Scheme

Year of grant share	Exercise price per share	Period within options exercisable	No of shares for which options outstanding at 31 Dec 2008	Options lapsed during year	No of shares of which options outstanding at 30 Jun 2010	Fair value per option
2007	390p	Nov2010-Oct 2017	3,000	-	3,000	£ 37 13

Under the Matchett Group Approved Share Option Scheme

Year of grant share	Exercise price per share	Period within options exercisable	No of shares for which options outstanding at 31 Dec 2008	Options lapsed during year	No of shares of which options outstanding at 30 Jun 2010	Fair value per option
2005	390p	Aug 2008-Jul 2015	750	-	750	£ 20 00
2007	390p	Nov 2010-Feb 2015	1,625	-	1,625	£ 37 13

A charge of £38,182 (2008 £nil) was made in the profit and loss account in the year in respect of a share based payments