

Registered number: 03423974

CET MANAGEMENT UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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CET MANAGEMENT UK LIMITED

COMPANY INFORMATION

DIRECTORS	A K Ericsson T O Ericsson
COMPANY SECRETARY	A K Ericsson
REGISTERED NUMBER	03423974
REGISTERED OFFICE	14 Beech Avenue Manchester M22 4JE
INDEPENDENT AUDITOR	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD

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CET MANAGEMENT UK LIMITED

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CET MANAGEMENT UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2016

The Directors present their report and the audited financial statements for the year ended 31 August 2016.

PRINCIPAL ACTIVITIES

The Company's principal activities during the year continues to be that of the provision of marketing and travel services.

DIRECTORS

The Directors who served during the year were:

A K Ericsson
T O Ericsson

Impact of the EU referendum

The Directors believe that the main effect following the UK's decision to leave the European Union to be the consequences of market uncertainty. In light of the results of the "Brexit" vote, with British voters choosing to leave the European Union, amongst the factors pointed out are the Company's contracts:

- governed by UK law, and not EU regulations;
- denominated in US dollars.

On this basis, whilst the effect of Brexit in the UK economy is uncertain, the Directors believe that the decision to leave will have no or very limited effect on the Company's performance.

The Directors have considered the risks, and the balances within the financial statements and there have been no changes to report regarding impairment of assets or any disclosure amendments.

DISCLOSURE OF INFORMATION TO AUDITOR

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

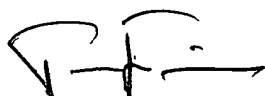
- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

INDEPENDENT AUDITOR

The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board on *FEBRUARY 22, 2017* and signed on its behalf.



T O Ericsson
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016**

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's 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.

CET MANAGEMENT UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF CET MANAGEMENT UK LIMITED

We have audited the financial statements of CET Management UK Limited for the year ended 31 August 2016, 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 the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 AUDITOR

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and *International Standards on Auditing (UK and Ireland)*. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' 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.

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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 year for which the financial statements are prepared is consistent with the financial statements.

CET MANAGEMENT UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF CET MANAGEMENT UK LIMITED

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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



Alison Sheridan (Senior Statutory Auditor)

for and on behalf of
PKF Littlejohn LLP

Statutory Auditor

1 Westferry Circus
Canary Wharf
London
E14 4HD

Date:

24 February 2017

CET MANAGEMENT UK LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 \$	2015 \$
TURNOVER	1	7,773,220	7,851,129
Cost of sales		<u>(5,309,238)</u>	<u>(5,500,458)</u>
GROSS PROFIT		2,463,982	2,350,671
Administrative expenses		(294,737)	(2,319,181)
Other operating income	2	<u>-</u>	<u>89,561</u>
OPERATING PROFIT	3	2,169,245	121,051
Income from fixed asset investments		-	157,515
Interest payable and similar charges		<u>-</u>	<u>(22,046)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,169,245	256,520
Tax on profit on ordinary activities	4	<u>(444,406)</u>	<u>(285,629)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	9	<u><u>1,724,839</u></u>	<u><u>(29,109)</u></u>

There are no material differences between the profit on ordinary activities before taxation and the retained profit/(loss) for the financial year stated above and their historical cost equivalents.

The notes on pages 7 to 11 form part of these financial statements.

CET MANAGEMENT UK LIMITED
REGISTERED NUMBER: 03423974

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	\$	2016 \$	\$	2015 \$
FIXED ASSETS					
Tangible assets	5		1,415		1,769
CURRENT ASSETS					
Debtors	6	1,767,081		1,831,291	
Cash at bank		3,531,951		1,847,980	
		<u>5,299,032</u>		<u>3,679,271</u>	
CREDITORS: amounts falling due within one year	7	<u>(4,602,836)</u>		<u>(3,508,268)</u>	
NET CURRENT ASSETS			<u>696,196</u>		<u>171,003</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>697,611</u>		<u>172,772</u>
CAPITAL AND RESERVES					
Called up share capital	8		8		8
Profit and loss account	9	697,603		172,764	
SHAREHOLDERS' FUNDS	10		<u>697,611</u>		<u>172,772</u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

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



FEB 22, 2017

T O Ericsson
Director

The notes on pages 7 to 11 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Going concern

The Directors, having reviewed the forecast results and financial position of the Company, are satisfied that the Company has sufficient financial support and resources to continue in operation for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Cash flow

The financial statements do not include a Cash Flow Statement because the Company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.4 Turnover

Turnover comprises revenue recognised by the Company in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.5 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 on the following bases:

Computer equipment	-	20% reducing balance
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1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

CET MANAGEMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.8 Foreign currencies

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

Transactions in foreign currencies are translated into dollars at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

2. OTHER OPERATING INCOME

	2016 \$	2015 \$
Other operating income	-	44,561
Royalty receivable	-	45,000
	<u>-</u>	<u>89,561</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2016 \$	2015 \$
Depreciation of tangible fixed assets:		
- owned by the company	354	-
Auditor's remuneration	33,090	48,875
Auditor's remuneration - non-audit	14,344	16,012
Pension costs	7,647	6,966
	<u>7,647</u>	<u>6,966</u>

During the year, no Director received any emoluments (2015 - \$NIL).

4. TAXATION

	2016 \$	2015 \$
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	435,125	346,667
Adjustments in respect of prior period	9,281	(61,038)
	<u>444,406</u>	<u>285,629</u>
Tax on profit on ordinary activities		

CET MANAGEMENT UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

5. TANGIBLE FIXED ASSETS

	Computer equipment \$
Cost	
At 1 September 2015 and 31 August 2016	1,769
Depreciation	
At 1 September 2015	-
Charge for the year	354
At 31 August 2016	354
Net book value	
At 31 August 2016	1,415
At 31 August 2015	1,769

6. DEBTORS

	2016 \$	2015 \$
Trade debtors	86,056	215,441
Amounts owed by group undertakings	1,681,025	1,612,492
Other debtors	-	3,358
	1,767,081	1,831,291

**7. CREDITORS:
Amounts falling due within one year**

	2016 \$	2015 \$
Trade creditors	71,898	384,065
Amounts owed to group undertakings	1,996,058	2,287,573
Corporation tax	332,289	172,871
Deferred income	245,370	255,321
Other creditors	1,957,221	408,438
	4,602,836	3,508,268

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CET MANAGEMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

8. SHARE CAPITAL

	2016 \$	2015 \$
Allotted, called up and fully paid		
4 Ordinary shares of £1 each	<u>8</u>	<u>8</u>

9. RESERVES

	Profit and loss account \$
At 1 September 2015	172,764
Profit for the financial year	1,724,839
Dividend paid	(1,200,000)
At 31 August 2016	<u>697,603</u>

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2016 \$	2015 \$
Opening shareholders' funds	172,772	1,066,286
Profit/(loss) for the financial year	1,724,839	(29,109)
Dividends (Note 11)	(1,200,000)	(864,405)
Closing shareholders' funds	<u>697,611</u>	<u>172,772</u>

11. DIVIDENDS

	2016 \$	2015 \$
Dividends declared on equity capital	<u>1,200,000</u>	<u>864,405</u>

On 31 August 2015 the Directors declared a final dividend of \$300,000 per ordinary share amounting to \$1,200,000.

12. PENSION COMMITMENTS

The Company pays contributions to a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounts to \$ 7,647 (2015 - \$ 6,966).

CET MANAGEMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

13. RELATED PARTY TRANSACTIONS

	2016 \$	2015 \$
Educatus UK Limited (fellow subsidiary not wholly owned)		
- expenses paid on behalf of the Company by the fellow subsidiary	(15,746)	(52,167)
- intragroup transfers clearing current and brought forward balances	67,370	543
- balance payable (included within creditors)	-	(51,624)
Educatus Cultural Exchange Program Inc (fellow subsidiary not wholly owned)		
- expenses incurred by Company on behalf of fellow subsidiary	5,856	-
- intragroup transfers clearing brought forward balances	29,434	479,083
- balance receivable (included within debtors) /(balance payable (included within creditors))	5,856	(29,434)
Educatus College and University services (fellow subsidiary not wholly owned)		
- expenses incurred by Company on behalf of fellow subsidiary	4,982	-
- intragroup transfer clearing brought forward balances	(4,317)	5,017
- balance receivable (included within debtors)	4,982	4,317
JEV Langues (fellow subsidiary not wholly owned)	-	-
- expenses incurred by Company on behalf of fellow subsidiary	199,810	28,280
- intragroup transfers settlements against current and brought forward balances	(157,820)	(21,900)
- balance receivable (included within debtors)	48,370	6,380

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Explorius Education AB.

The ultimate parent undertaking is FriFiSi Utbildningsfabrik AB, a company registered in Sweden. The ultimate controlling party is Mr T O Ericsson.

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