

Prometric Limited

Annual report and financial statements for the year
ended 30 September 2018

Registered Number 03492406



ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended 30 September 2018

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STRATEGIC REPORT
for the year ended 30 September 2018

The directors present their Strategic Report for the financial year ended 30 September 2018.

REVIEW OF THE BUSINESS

The company has earned an operating profit for the year to 30 September 2018 of £183,000 versus an operating profit for the year ended 30 September 2017 of £114,000.

During 2018 the company's operations, support functions and infrastructure continued to support other group companies operations for the Europe, Middle East and Africa region "EMEA", through "cost-plus" agreements with other Prometric entities.

Revenue for the year to 30 September 2018 was £3,110,000 (2017: £2,591,000). Intercompany revenue from Prometric Ireland Limited and Prometric LLC was £3,100,000 in 2018 (2017: £2,581,000). Third party revenue was £10,000 in 2018 (2017: £10,000). The year over year increase in revenue was mainly attributable to additional support services provided to the group.

The operations of the company in the UK continue to play a role in supporting Prometric's business across the EMEA region. The directors believe that the company's support of the Prometric EMEA business will continue to provide opportunities to maintain a profitable UK entity.

KEY PERFORMANCE INDICATORS

The directors use the company's statutory financial measures of revenue and operating profit, as well as monthly analyses of current assets and liabilities, testing volumes, testing revenues and operating costs to monitor on-going performance.

PRINCIPAL RISKS AND UNCERTAINTIES

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and other financial risks, each of which is discussed further below. The company's principal financial assets are bank balances and trade and other debtors. The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the Balance Sheet are net of any provisions for doubtful debts. A provision is made where there is an identified event which, based on previous experience, is evidence of a reduction in recoverability of the cash flows. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

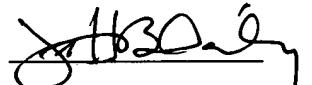
STRATEGIC REPORT
for the year ended 30 September 2018 (Continued)

EMPLOYEES

During the period the company has given full and fair consideration to applications for employment from disabled persons having regard to their particular aptitudes and abilities. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. The company has made appropriate arrangements for the training, career development and promotion of disabled persons employed by the company.

During the period the company has maintained and developed arrangements aimed at employees, consulting them or their representatives on a regular basis so that their views may be taken into account in making decisions which are likely to affect their interests, encouraging their involvement in the company's performance and achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of their employing company. This has been achieved by methods such as the issue of employee reports, company newspapers and newsletters and by regular meetings between managers and the representatives of such employees. It is company policy to implement methods of communication and discussion, and the giving of information, which will achieve the objective of well-informed staff committed to making the company profitable and successful.

By order of the Board


Jeffrey B. Dailey, Director

Date: 21 March 2019

Registered Office: 7th Floor, The Victoria, Harbour City, Salford Quays, Manchester, Greater Manchester, M50 3SP, United Kingdom

DIRECTORS' REPORT
for the year ended 30 September 2018

The directors present their report and the audited financial statements of the company for the 12 month financial year ended 30 September 2018.

PRINCIPAL ACTIVITIES

The company's principal activity in 2018 was to support the operations and test delivery activities, site development, site security, business development and account management support of other companies within the group. In 2019 the business operations of the company are expected to remain consistent and the company will earn revenue through its support role to operations in the EMEA region.

The director's expect the same level of trading and activity in 2019 as prior year.

RESULTS AND DIVIDENDS

The company made a profit after taxation of £235,000 in the financial year to 30 September 2018 (2017: profit of £2,739,000). The directors do not recommend the payment of a dividend (2017: £Nil).

GOING CONCERN

Further details regarding the adoption of the going concern basis can be found in the Accounting Policies (Note 1).

The company's current assets exceed its current liabilities and the company had net current assets of £2,651,000 as at 30 September 2018 (2017: net current assets £2,877,000). The company expects to have continued positive cash flows in the coming years.

Accordingly, the directors have concluded that the application of the going concern basis in the preparation of these financial statements is appropriate.

DIRECTORS

The directors of the company during the financial year, and up to the date of signing the financial statements are named below:

K. D. Gales
G. C. Derr (resigned with effect from 30 September 2018)
J. B. Dailey (appointed with effect from 16 January 2019)
C. P. H. Kernan (resigned with effect from 15 January 2019)
M. P. Sawicki

DIRECTORS' INDEMNITIES

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

DIRECTORS' REPORT
for the year ended 30 September 2018 (Continued)

DISCLOSURE OF INFORMATION TO THE AUDITOR

Each of the directors at the date of signing the financial statements confirms the following:

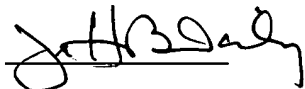
- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

AUDITOR

The auditor, Ernst & Young, Chartered Accountants and Statutory Audit Firm, was appointed on 13 August 2018 and will continue in office in accordance with section 383(2) of the Companies Act 2014.

Approved by the Board and signed on its behalf:


Jeffrey B. Dailey, Director

Date: 21 March 2019

Registered Office: 7th Floor, The Victoria, Harbour City, Manchester, M50 3SP

DIRECTORS' RESPONSIBILITIES STATEMENT

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

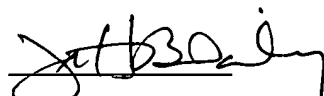
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with FRS102 "*The Financial Reporting Standard applicable in the UK and Republic of Ireland*". Under company law the 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; 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. 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.

Approved by the Board and signed on its behalf:


Jeffrey B. Dailey, Director

Date: 21 March 2019

Registered Office: 7th Floor, The Victoria, Harbour City, Salford Quays, Manchester, Greater Manchester, M50 3SP, United Kingdom

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROMETRIC LIMITED

Opinion

We have audited the financial statements of Prometric Limited for the year ended 30 September 2018 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity, Statement of cash flows and the related notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROMETRIC LIMITED (Continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROMETRIC LIMITED (Continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

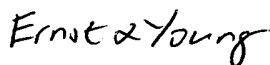
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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



Cathal McDonagh (Senior Statutory Auditor)
for and on behalf of Ernst & Young Chartered Accountants, Statutory Auditor
Dublin

Date: 4 April 2019

PROMETRIC LIMITED

STATEMENT OF COMPREHENSIVE INCOME
for the financial year ended 30 September 2018

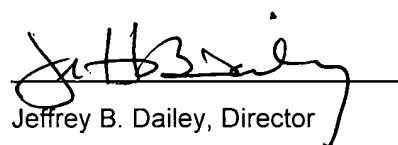
	<i>Note</i>	<i>2018</i> <i>£'000</i>	<i>2017</i> <i>£'000</i>
Turnover	3	3,110	2,591
Cost of sales		(2,468)	(2,093)
Gross profit		642	498
Administrative expenses		(459)	(384)
Operating profit	4	183	114
Exceptional income	5	–	2,537
Interest payable and similar charges	8	(2)	(1)
Profit on ordinary activities before taxation		181	2,650
Taxation		54	88
Profit for the financial year		235	2,739
Other comprehensive income		–	–
Total comprehensive income for the financial year		235	2,739

PROMETRIC LIMITED

BALANCE SHEET
as at 30 September 2018

	Note	2018 £'000	2017 £'000
FIXED ASSETS			
Tangible assets	10	508	70
CURRENT ASSETS			
Debtors	11	2,218	1,982
Cash at bank and in hand		720	1,299
		<u>2,938</u>	<u>3,281</u>
CREDITORS (amounts falling due within one year)	12	(287)	(404)
NET CURRENT ASSETS		<u>2,651</u>	<u>2,877</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,159</u>	<u>2,947</u>
CREDITORS (amounts falling due after one year)	13	(51)	(76)
PROVISIONS FOR LIABILITIES	14	(87)	(86)
NET ASSETS		<u><u>3,021</u></u>	<u><u>2,785</u></u>
CAPITAL AND RESERVES			
Called-up share capital	17	12,220	12,220
Capital contribution reserve		4,000	4,000
Profit and loss account		(13,199)	(13,435)
Total shareholder's funds		<u><u>3,021</u></u>	<u><u>2,785</u></u>

The financial statements of Prometric Limited, registered number 03492406, were approved by the board of directors on 21 March 2019 and were signed on its behalf by:


Jeffrey B. Dailey, Director

PROMETRIC LIMITED

STATEMENT OF CHANGES IN EQUITY
for the financial year ended 30 September 2018

	<i>Called-up Share capital £'000</i>	<i>Capital contribution reserve fund £'000</i>	<i>Profit and loss account £'000</i>	<i>Total £'000</i>
At 30 September 2016	12,220	4,000	(16,173)	47
Total comprehensive income	-	-	2,739	2,739
At 30 September 2017	12,220	4,000	(13,434)	2,786
Total comprehensive income	-	-	235	235
At 30 September 2018	12,220	4,000	(13,199)	3,021

PROMETRIC LIMITED

STATEMENT OF CASH FLOWS
for the financial year ended 30 September 2018

	<i>Note</i>	<i>2018 £'000</i>	<i>2017 £'000</i>
NET CASH FLOWS FROM OPERATING ACTIVITIES	19	(17)	(3,457)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of tangible fixed assets		(564)	(35)
Disposal of tangible fixed assets		4	(2)
Net cash flows from investing activities		(560)	(37)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(2)	(1)
Debt waiver from Prometric LLC		-	2,627
NET CASH FLOWS FROM FINANCING ACTIVITIES		(2)	2,626
NET DECREASE IN CASH AND CASH EQUIVALENTS		(579)	(868)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,299	2,167
CASH AND CASH EQUIVALENTS AT END OF YEAR		720	1,299

NOTES TO THE FINANCIAL STATEMENTS

30 September 2018

1. ACCOUNTING POLICIES

The significant accounting policies adopted by the company are as follows:

(a) Basis of preparation

The financial statements are prepared on the going concern basis under the historical cost convention, modified to include certain items at fair value, and in accordance with United Kingdom applicable accounting standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The principal accounting policies are set out below and have all been applied consistently throughout the period and the preceding year.

The company is incorporated in the United Kingdom.

The financial statements are presented in the company's functional currency, which is the British Pound Sterling, denoted by the symbol "£" and presented in £'000.

(b) Basis of accounting

The company has taken advantage of the following disclosure exemptions in FRS 102, the requirements of:

Basic Financial Instruments, Section 11.39 to 11.48A,
Other Financial Instruments, Section 12.26 to 12.29,
Share Based Payments, Section 26.18(b), 26.19 to 26.21, 26.23.

(c) Going concern

The company made a profit of £235,000 in the financial year to 30 September 2018 (2017: profit of £2,739,000).

The company's current assets exceeds its current liabilities and the company had net current assets of £2,651,000 as at 30 September 2018 (2017: net current assets £2,877,000). As at the date of signature of these financial statements, the company has no external financing.

The company has funded its working capital requirements from its own operating cash flows for the majority of 2018 and is not expected to require any new external or intercompany funding for the foreseeable future based on latest cash flow projections.

Based on their considerations as noted above, the directors have concluded that the going concern basis remains appropriate.

(d) Turnover

Turnover comprise the invoiced value of goods and services, excluding value added tax. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under the contract to the extent that there is a right to consideration and is recorded at the value of the consideration due.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2018 (Continued)

1. ACCOUNTING POLICIES (Continued)

(e) *Operating leases*

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

(f) *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. The amounts charged against profits represent the contributions payable to the scheme in respect of the accounting period.

(g) *Foreign currency translation*

Trading activities denominated in foreign currencies are recorded in sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at 30 September rates of exchange. Currency gains or losses arising from translation are included in the profit and loss account.

(h) *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost or valuation less depreciation and any provision for impairment. Depreciation on tangible fixed assets is calculated to write off their cost over their estimated useful lives by equal annual instalments.

The estimated useful lives of tangible fixed assets by reference to which depreciation has been calculated are as follows:

Leasehold improvements	5 years
Fixture, fittings and equipment	5 years
Computer hardware	3 years

(i) *Financial instruments*

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

i. *Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2018 (Continued)

1. ACCOUNTING POLICIES (Continued)

(i) *Financial instruments (continued)*

i. *Financial assets and liabilities (continued)*

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(j) *Finance costs*

Interest costs are expensed to the statement of comprehensive income in accordance with the interest rate within the loan agreement. Amortisation of discount in relation to reinstatement of leasehold properties at the end of the lease term is expensed to the statement of comprehensive income using a rate equivalent to the group's effective cost of borrowing.

(k) *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the transaction date or at a contracted rate. The resulting monetary assets and liabilities are retranslated at the Balance Sheet rate or the contracted rate and the exchange differences are dealt with in the profit and loss account.

(l) *Taxation*

Current tax, including UK Corporation Tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the Balance Sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date.

(m) *Provisions*

The Company recognises the anticipated cost of significant reinstatement of leasehold properties at the end of the lease term at the commencement of each lease. Such provisions are discounted where material.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2018 (Continued)

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key accounting judgement and estimate in the financial statements is in respect of the anticipated cost of reinstatement of the company's leasehold properties at the end of the lease term and the recoverability of the company's deferred tax asset.

3. TURNOVER

The company's turnover arises solely in relation to its principal activity and is derived wholly within Europe.

	2018 £'000	2017 £'000
Test delivery revenue	10	10
Intercompany revenue	3,100	2,581
	<u>3,110</u>	<u>2,591</u>

4. OPERATING PROFIT

2018 £'000	2017 £'000
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Operating profit is stated after charging:

Depreciation of tangible fixed assets		
- owned	123	56
Hire of plant and machinery	6	2
Other operating leases	496	433
Foreign exchange loss	8	39
	<u>629</u>	<u>528</u>

NOTES TO THE FINANCIAL STATEMENTS
30 September 2018 (Continued)

4.	OPERATING PROFIT (Continued)	2018 £'000	2017 £'000
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The analysis of auditors' remuneration is as follows:

Fees payable to the Company's auditors:

Audit of Prometric Limited	35	22
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Total audit fees	35	22
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Tax services	6	-
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Total non-audit fees	6	-
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5.	EXCEPTIONAL ITEM	2018 £'000	2017 £'000
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Debt waiver with Prometric LLC	-	2,537
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Debt owed to Prometric LLC was waived in 2017 in preparation for the acquisition of Educational Testing Services (ETS), the previous ultimate controlling party. ETS entered into a Stock Purchase Agreement with Baring Private Equity Asia ('BPEA') who became the 100% owner of Prometric LLC on 28 January 2018.

6. EMPLOYEES

The average monthly number of persons (including executive directors) employed by the company during the financial year was:

	2018 No.	2017 No.
Operations	9	9
Office and management	20	20
	29	29

NOTES TO THE FINANCIAL STATEMENTS
30 September 2018 (Continued)

6.	EMPLOYEES (Continued)	2018 £'000	2017 £'000
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Staff costs during the year amounted to:

Wages and salaries	1,275	1,082
Social security costs	158	125
Other pension costs - defined contribution (<i>note 16</i>)	43	41
Redundancy payments	57	-
	<u>1,533</u>	<u>1,248</u>

7. DIRECTORS' EMOLUMENTS

No emoluments were paid to Directors in 2018 (2017: £Nil). All directors of the company are paid through Prometric LLC.

8.	INTEREST PAYABLE AND SIMILAR CHARGES	2018 £'000	2017 £'000
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Interest payable and similar charges:
 Unwinding of discount on provisions

2	1
<u>2</u>	<u>1</u>

9.	TAXATION	2018 £'000	2017 £'000
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The tax charge comprises:

United Kingdom corporation tax at 19%
 (2017: 19.50%)
 Current taxation charge

-	-
<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
30 September 2018 (Continued)

9. TAXATION (Continued)

	2018 £'000	2017 £'000
Deferred tax:		
The tax charge comprises:		
Adjustment in respect of prior years	4	-
Recognition of deferred tax asset	(58)	(88)
	<u> </u>	<u> </u>
Total deferred tax	(54)	(88)
	<u> </u>	<u> </u>
Tax charge/(credit) on profit on ordinary activities	(54)	(88)
	<u> </u>	<u> </u>

The differences between the total current tax shown above and the amount calculated by applying the standard UK rate of corporation tax to the profit before tax is as follows:

	2018 £'000	2017 £'000
Profit on ordinary activities before taxation	181	2,650
	<u> </u>	<u> </u>
Taxation charge at standard UK corporation tax rate of 19% (2017: 19.5%)	34	517
Differences attributable to:		
- Income or expenses not deductible for tax purposes	12	(495)
- Recognition of deferred tax asset	(96)	(96)
- Difference in deferred and current tax rates	(4)	(14)
	<u> </u>	<u> </u>
Current tax charge	(54)	(88)
	<u> </u>	<u> </u>

A change in the UK corporation tax rate from 20% to 19% was enacted on 18 November 2015, to come into effect from 1 April 2017. The deferred tax rate used for the year ended 30 September 2018 is 17% being the future 2020 corporation tax rate. The blended current tax rate for the year ended 30 September 2018 is 19%.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2018 (Continued)

10. TANGIBLE ASSETS

	<i>Leasehold improve- ments £'000</i>	<i>Fixture, fittings and equipment £'000</i>	<i>Computer hardware £'000</i>	<i>Total £'000</i>
<i>Cost:</i>				
At 1 October 2017	188	117	307	612
Additions	404	2	158	564
Disposals	-	(1)	(10)	(11)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2018	592	118	455	1,165
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation:</i>				
At 1 October 2017	(188)	(79)	(275)	(542)
Charge for the year	(67)	(8)	(48)	(123)
Disposals	-	1	7	8
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2018	(255)	(86)	(316)	(657)
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value:</i>				
At 30 September 2018	337	32	139	508
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value:</i>				
at 30 September 2017	-	38	32	70
	<hr/>	<hr/>	<hr/>	<hr/>

11. DEBTORS

	<i>2018 £'000</i>	<i>2017 £'000</i>
<i>Amounts falling due within one year:</i>		
Amounts owed by fellow group undertakings	1,810	1,562
Prepayments	75	125
Other taxes and social security	29	49
Other debtors	4	-
	<hr/>	<hr/>
	1,918	1,736
	<hr/>	<hr/>

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

Due to their short maturities, the fair value of amounts owed by group undertakings approximate their book value.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2018 (Continued)

11.	DEBTORS (Continued)	2018 £'000	2017 £'000
	<i>Amounts falling due after more than one year:</i>		
	Rental deposits	157	157
	Deferred tax asset	143	89
		<u>300</u>	<u>246</u>
	Total debtors	<u>2,218</u>	<u>1,982</u>

Rental deposits represent amounts held by landlords on leased premises' and are generally refunded by landlords at the end of the lease term.

12.	CREDITORS (amounts falling due within one year)	2018 £'000	2017 £'000
	Trade creditors	25	114
	Amounts due to group undertakings	73	120
	Other creditors and accruals	163	144
	Straight-lining of lease benefits short-term	26	26
		<u>287</u>	<u>404</u>

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

13.	CREDITORS (amounts falling due after more than one year)	2018 £'000	2017 £'000
	Straight-lining of lease payments	<u>51</u>	<u>76</u>

Straight-lining of lease payments represent the straight-lining of free rent periods granted on certain leasehold properties, over the respective lease terms of these properties.

NOTES TO THE FINANCIAL STATEMENTS
30 September 2018 (Continued)

14. PROVISIONS FOR LIABILITIES

	<i>Dilapidation provision 2018 £'000</i>	<i>Dilapidation provision 2017 £'000</i>
At 1 October	86	86
Amortisation of discount	1	1
Charged/(released) during the year	-	(1)
	<hr/>	<hr/>
At end of financial year	87	86
	<hr/>	<hr/>

The dilapidation provision relates to future obligations on all existing, new and refurbished properties. Provision is made at the inception of leases for the estimated cost of significant reinstatement of leasehold properties at the end of the lease term. No new provision for dilapidations has been created in the 2018 financial year (2017: £Nil). The provision is expected to be utilised at the end of the related leases which expire between 2020 and 2021. The provision has been discounted using a rate equivalent to the group effective cost of borrowing.

15. DEFERRED TAXATION

A deferred tax asset of £143,000 has been recognised at 30 September 2018 (2017: £89,000). The value of the unrecognised deferred tax assets at 30 September 2018 was £975,000 (2017: £1,141,000). This deferred tax asset has been recognised because in the opinion of the directors, the company will be profitable based on a 5 year forecast and will be in a position to utilise a deferred tax asset.

	<i>2018 Recognised £'000</i>	<i>2017 Recognised £'000</i>	<i>2018 Not recognised £'000</i>	<i>2017 Not recognised £'000</i>
Advance capital allowances	-	-	495	618
Losses available for relief	143	89	480	523
	<hr/>	<hr/>	<hr/>	<hr/>
	143	89	975	1,141
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
30 September 2018 (Continued)

15. DEFERRED TAXATION (Continued)

	2018 £'000	2017 £'000
<i>Deferred taxation not recognised:</i>		
At 1 October	1,141	1,258
Utilisation of losses	(116)	(225)
Capital allowances in excess of depreciation	(70)	108
Adjustment in respect of the prior year	20	-
	<u> </u>	<u> </u>
At 30 September	<u>975</u>	<u>1,141</u>

16. PENSION PLAN

Defined contribution scheme

The company participates in a defined contribution pension. Its assets are held in a separate trustee administered fund. The cost of contributing to the fund is charged to the profit and loss account as it is incurred.

The total defined contribution pension cost for the company was £43,000 (2017: £41,000).

17. CALLED-UP SHARE CAPITAL

	2018 £'000	2017 £'000
<i>Allotted, called-up and fully paid:</i>		
12,220,002 ordinary shares of £1 each	12,220	12,220
	<u> </u>	<u> </u>

18. OPERATING LEASE COMMITMENTS

Operating lease commitments for the term of the lease analysed between those years in which such commitments expire, are:

		2018		2017
	<i>Land and Buildings £'000</i>	<i>Other £'000</i>	<i>Land and buildings £'000</i>	<i>Other £'000</i>
Expiring within one year	-	-	-	-
Expiring between two to five years	919	-	1,070	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	919	-	1,070	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
30 September 2018 (Continued)

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2018 £'000	2017 £'000
Operating profit	183	114
Depreciation	123	56
Other provision	–	(3)
Decrease in creditors	(142)	(2,358)
Increase in debtors	(181)	(1,266)
	<u>(17)</u>	<u>(3,457)</u>

20. ULTIMATE PARENT UNDERTAKING

Prometric LLC is the immediate parent undertaking and is the parent undertaking of the smallest and largest group of undertakings for which group accounts are drawn up and of which the company is a member. As of 29 January 2018, the ultimate controlling party is Baring Private Equity Asia ('BPEA').

21. RELATED PARTY TRANSACTIONS

Prometric Ireland Limited is deemed to be a related party and sister company of Prometric Limited. During the year ended 30 September 2018 sales of £1,085,000 (2017: £880,000) were made to Prometric Ireland Limited in respect of services for test delivery of Irish clients within the United Kingdom. As at 30 September an amount of £489,000 was receivable from Prometric Ireland Limited (2017: £411,000).

Prometric Technology Sdn Bhd (Malaysia) is deemed to be a related party and sister company of Prometric Limited. During the year ended 30 September 2018 purchases of £52,000 (2017: £84,000) were made from Prometric Malaysia in respect of operating and financial services activities. As at 30 September 2018 an amount of £61,000 was payable to Prometric Technology Sdn Bhd (2017: £120,000).

Prometric LLC is deemed to be a related party by virtue of being an intermediate parent company of Prometric Limited. During the ended 30 September 2018 sales of £2,015,000 (2017: £1,701,000) were made to Prometric LLC in respect of test delivery services for US clients. As at 30 September an amount of £1,321,000 was receivable from Prometric LLC (2017: £1,151,000), this is in relation to credit card and employee expenses recharges.

Prometric B.V. is deemed to be a related party and sister company of Prometric Limited. As at 30 September an amount of £12,000 was payable to Prometric B.V. (2017: £Nil).

NOTES TO THE FINANCIAL STATEMENTS
30 September 2018 (Continued)

22. KEY MANAGEMENT PERSONNEL COSTS

For the purposes of the disclosure requirements of the term 'key management personnel' (i.e. those persons having the authority and responsibility for planning, directing and controlling the activities of the company), comprise the board of directors which manages the business and affairs of the company. The cost arising from the key management personnel of the company relate to wages earned and directors' remuneration.

Directors' emoluments have been borne by other companies within the group. These directors are also directors or officers of a number of companies within the group. The director's services to the company do not occupy a significant portion of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the current period.

23. COMPARATIVE AMOUNTS

Comparative amounts have been reclassified where necessary on a basis consistent with the current financial year.

24. EVENTS AFTER BALANCE SHEET DATE

No material adjusting events occurred from the Balance Sheet date of 30 September 2018 to the date of signing of the financial statements