

**GL EDUCATION (NO.2) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**



## **GL EDUCATION (NO.2) LIMITED**

### **COMPANY INFORMATION**

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**DIRECTORS**

Robert Dargue  
Gregor Watson

**COMPANY SECRETARY**

Roxburgh Milkins LLP

**REGISTERED NUMBER**

03819621

**REGISTERED OFFICE**

9th Floor East  
389 Chiswick High Road  
London  
W4 4AJ

**INDEPENDENT AUDITOR**

KPMG LLP  
Chartered Accountants  
1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

# **GL EDUCATION (NO.2) LIMITED**

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## **GL EDUCATION (NO.2) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present their report and the financial statements for the year ended 31 December 2015.

#### **PRINCIPAL ACTIVITY**

The Company's principal activity is that of an investment holding company.

#### **RESULTS**

The profit for the year, after taxation, amounted to £140,000 (2014: £173,000).

#### **DIRECTORS**

The directors who served during the year were:

Robert Dargue  
Gregor Watson

#### **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.

#### **POST BALANCE SHEET EVENTS**

On 8 June 2016, the entire share capital of Assessments Topco Limited was sold to Levine Leichtman Capital Partners (LLCP). The ultimate parent company with control of the group is now deemed to be Levine Leichtman Capital Partners V, L.P., a Delaware USA company.

**GL EDUCATION (NO.2) LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**AUDITORS**

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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The company was exempt by virtue of section 414B of the Companies Act 2006 from the requirement to prepare a Strategic Report.

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



**Robert Dargue**  
Director

Date: 28 September 2016

9th Floor East  
389 Chiswick High Road  
London  
W4 4AJ

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under Company law the directors must not approve the financial statements unless 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 judgments 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. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GL EDUCATION (NO.2) LIMITED**

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We have audited the financial statements of GL Education (No.2) Limited for the year ended 31 December 2015, set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

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

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

**GL EDUCATION (NO.2) LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GL EDUCATION (NO.2) LIMITED**

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**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.
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

*KL'Estrange*

Katharine L'Estrange (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

Date: *28 September 2016*



**GL EDUCATION (NO.2) LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £000	2014 £'000
Interest receivable and similar income	4	175	173
<b>Profit before tax</b>		<b>175</b>	<b>173</b>
Tax on profit	5	(35)	-
<b>Profit for the year</b>		<b>140</b>	<b>173</b>
<b>Total comprehensive income for the year</b>		<b>140</b>	<b>173</b>

The notes on pages 9 to 15 form part of these financial statements.

All amounts relate to continuing operations.

**GL EDUCATION (NO.2) LIMITED**  
**REGISTERED NUMBER:03819621**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

	Note	2015 £000	2014 £000
<b>Fixed assets:</b>			
Investments:	6	<u>244</u>	<u>244</u>
		244	244
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	<u>11,870</u>	<u>11,695</u>
		11,870	11,695
Creditors: amounts falling due within one year	8	<u>(44)</u>	<u>(9)</u>
<b>Net current assets</b>		<b>11,826</b>	<b>11,686</b>
<b>Net assets</b>		<u><b>12,070</b></u>	<u><b>11,930</b></u>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Capital redemption reserve	10	28,992	28,992
Profit and loss account	10	<u>(16,922)</u>	<u>(17,062)</u>
		<u><b>12,070</b></u>	<u><b>11,930</b></u>

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

  
**Robert Dargue**  
 Director

Date: 28 September 2016

The notes on pages 9 to 15 form part of these financial statements.

**GL EDUCATION (NO.2) LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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	Capital contribution reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2015	28,992	(17,062)	11,930
<b>Comprehensive income for the year</b>			
Profit for the year	-	140	140
<b>At 31 December 2015</b>	<b>28,992</b>	<b>(16,922)</b>	<b>12,070</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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	Capital contribution reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2014	28,992	(17,235)	11,757
<b>Comprehensive income for the year</b>			
Profit for the year	-	173	173
<b>At 31 December 2014</b>	<b>28,992</b>	<b>(17,062)</b>	<b>11,930</b>

The notes on pages 9 to 15 form part of these financial statements:

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**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 Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The preparation of financial statements in compliance with FRS 101 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 Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts as a wholly owned subsidiary of Assessments TopCo Limited. These financial statements present information about the Company

First time application of FRS 100 and FRS 101

In the current year the Company has adopted FRS 100 and FRS 101. In previous years the financial statements were prepared in accordance with applicable UK accounting standards.

This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. Consequently the principal accounting policies are unchanged from the prior year. The change in basis of preparation has enabled the Company to take advantage of some of the available disclosure exemptions permitted by FRS 101 in the financial statements, the most significant of which are summarised below. There have been no other material amendments to the disclosure requirements previously applied in accordance with UK GAAP.

Information on the impact of first time adoption of FRS 101 is given in note 13.

The following principal accounting policies have been applied:

**1.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS**

The company has taken advantage of the following disclosure exemptions under FRS 101

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

In accordance with FRS 101 the Company has not made the disclosures mentioned above as it was a wholly owned subsidiary undertaking of Assessments TopCo Limited who produces fully consolidated accounts which are publically available.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 GOING CONCERN**

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The Company is dependant for its working capital on funds provided to it by GL Education Group Limited, the Company's immediate parent undertaking. GL Education Group Limited has provided the Company with an undertaking that for the foreseeable future it will continue to make available such funds and other assistance as is needed by the Company and in particular will not seek repayment of the amounts currently made available for a period not less than one year from the date of these financial statements. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

**1.4 VALUATION OF INVESTMENTS**

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

**1.5 CURRENT AND DEFERRED TAXATION**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 FINANCIAL INSTRUMENTS**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

**Financial assets**

The Company classifies all of its financial assets as loans and receivables.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are recognised within administrative expenses in the Income statement, on confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off including any associated provision.

**Financial liabilities**

The Company classifies all of its financial liabilities as liabilities at amortised cost

**Loans and payables**

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of financial position.

**2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

There was no significant judgments in applying accounting policies during the year.

**3. OPERATING PROFIT**

The remuneration of the auditor of £518 (2014: £500) was borne by a fellow group undertaking in the current and preceding year.

The Company had no employees during the current or preceding year other than the directors. None of the directors received any remuneration for their roles as directors of the Company (2014: £nil).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**
**4. INTEREST RECEIVABLE**

	2015 £000	2014 £000
Interest receivable from group undertakings	175	173
	<u>175</u>	<u>173</u>

**5. TAXATION**

	2015 £000	2014 £000
<b>Corporation tax</b>		
Current tax on profits for the year	35	-
<b>Total current tax</b>	<u>35</u>	<u>-</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	175	173
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014: 21.5%)	35	37
<b>Effects of:</b>		
Group relief utilised	(35)	(37)
Payments made in respect of group relief	35	-
<b>Total tax charge for the year</b>	<u>35</u>	<u>-</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax at 31 December 2015 has been calculated based on these rates.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly and reduce the deferred tax at 31 December 2015 by £nil.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**6. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 January 2015	244
At 31 December 2015	244
<b>Impairment</b>	
At 31 December 2015	-
<b>Net book value</b>	
At 31 December 2015	244
At 31 December 2014	244
<b>SUBSIDIARY UNDERTAKINGS</b>	

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
DP Publications Limited	UK	Ordinary	100 %	Dormant

D P Publications Limited is a dormant company incorporated within the UK.

**7. DEBTORS**

	2015 £000	2014 £000
Amounts owed by group undertakings	11,870	11,695
	11,870	11,695

The amounts owed by group undertakings are unsecured, repayable on demand and are charged interest at 1.5%.



## GL EDUCATION (NO.2) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

#### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £000	2014 £000
Amounts owed to group undertakings	36	1
Corporation tax	8	8
	<u>44</u>	<u>9</u>

The amounts owed to group undertakings are unsecured, repayable on demand and are charged interest at 1.5%.

#### 9. SHARE CAPITAL

	2015 £	2014 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

The ordinary shares have the right to one vote per share and there are no restrictions over dividends.

#### 10. RESERVES

The profit and loss account includes all current and prior period retained profits and losses and all are considered distributable.

The capital contribution reserve relates to contributions from owners to the entity that do not give rise to a liability.

#### 11. POST BALANCE SHEET EVENTS

On 8 June 2016, the entire share capital of Assessments Topco Limited was sold to Levine Leichtman Capital Partners (LLCP). The ultimate parent company with control of the group is now deemed to be Levine Leichtman Capital Partners V, L.P, a Delaware USA company.

#### 12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 31 December 2015 the immediate parent company was GL Education Group Limited, a company incorporated and registered in England and Wales. The directors consider that GL Parent Limited, incorporated in the Cayman Islands, was the ultimate parent undertaking of the Company at 31 December 2015.

The largest and smallest group in which the results of the Company are consolidated was that headed by Assessments TopCo Limited. The consolidated accounts of Assessments TopCo Limited are available to the public and may be obtained from the company secretary at the registered office, c/o Roxburgh Milkins LLP, Merchants House North, Bristol, BS1 4RW.

**13. FIRST TIME ADOPTION OF FRS 101**

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.