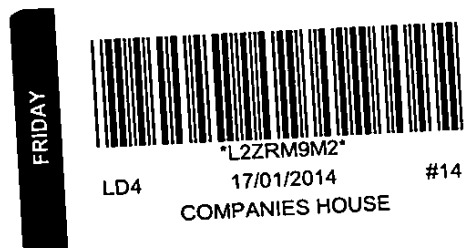


HAPPY CAFÉ LIMITED

Report and Financial Statements

31 August 2013

Company No 05195125



Happy Café Limited

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

C Lygo
W Etchell

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

BANKERS

Barclays Bank PLC
27 Soho Square
London W1D 3QR

REGISTERED OFFICE

BPP House
Aldine Place
142-144 Uxbridge Road
London
W12 8AA

Happy Café Limited

DIRECTORS' REPORT

The Directors present their report and financial statements for the year ended 31 August 2013

RESULTS AND DIVIDENDS

The trading results for year to 31 August 2013, and the Company's financial position at the end of the year, are shown in the attached financial statements

The profit and loss account for the year shows a loss after tax of £80,706 (2012 loss £76,643) The directors do not recommend a dividend for 2013 (2012 £nil)

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company is the provision of catering services The Company has performed as expected during the year

FINANCIAL REVIEW

Turnover during the year has increased by £7,662 (5%) compared to the prior period, whilst loss on ordinary activities before taxation decreased by £9,706 This is attributable to a reduction in costs

Net liabilities have increased by £80,706 (33.1%) reflecting the loss recorded for the year

ANALYSIS OF KEY PERFORMANCE INDICATORS

The Company is part of BPP Holdings Ltd and the key performance indicators have been identified as operating margin and turnover which are discussed in the financial review above

KEY RISKS AND UNCERTAINTIES

Key risks are that local shops and supermarkets are able to offer students products at a cheaper price The wide availability of alternative products makes it harder for Happy Cafe to maintain any competitive advantage in their Holborn and Manchester Cafés

POST BALANCE SHEET EVENTS

Since the balance sheet date the Company transferred its trade and assets to BPP University Ltd Following the transfer it is the intention of the directors that the Company will become dormant As a result the accounts have been prepared on a basis other than going concern as required by FRS18 Accounting Policies (refer to note 1 for further discussion)

DIRECTORS

The Directors who served the Company during the year or were subsequently appointed were as follows

C Lygo
W Etchell

DIRECTORS' REPORT (CONTINUED)

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information. The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

RE-APPOINTMENT OF AUDITOR

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

On behalf of the Board



C Lygo
Director

Date 18 December 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 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 accounting 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAPPY CAFE LIMITED

We have audited the financial statements of Happy Café Limited for the year ended 31 August 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 17. 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).

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 annual report to identify material inconsistencies with the audited financial statements. 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 2013 and of its loss 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.

Emphasis of matter – Financial Statements prepared other than on going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than going concern.

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.

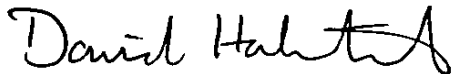
Happy Café Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAPPY CAFE 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



David Halstead FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

Date 6 January 2014

Happy Café Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 August 2013

	<i>Notes</i>	Year ended 31 August 2013 £	Year ended 31 August 2012 £
Turnover	2	158,699	151,037
Cost of sales		(231,878)	(241,642)
GROSS LOSS		(73,179)	(90,605)
Administrative expenses		(7,129)	(2,447)
OPERATING LOSS	3	(80,308)	(93,052)
Interest expense	4	(12,240)	(9,201)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(92,548)	(102,253)
Tax on loss on ordinary activities	7	11,842	25,610
LOSS FOR THE YEAR	15	(80,706)	(76,643)

All profits are from discontinuing operations

Subsequent to the year end the activities were discontinued following the transfer of the trade and assets to another group company

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 August 2013

The Company has no recognised gains or losses other than the loss for the year of £80,706 (2012 loss £76,643)

Happy Café Limited

BALANCE SHEET at 31 August 2013

Company No 05195125

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	9	-	-
CURRENT ASSETS			
Stocks	10	3,170	3,782
Debtors amounts falling due within one year	11	49,383	27,687
Debtors amounts falling due after one year	12	-	8,158
Cash at bank and in hand		555	34,719
		53,108	74,346
CREDITORS amounts falling due within one year	13	(377,632)	(318,164)
NET CURRENT LIABILITIES		(324,524)	(243,818)
TOTAL ASSETS LESS CURRENT LIABILITIES		(324,524)	(243,818)
CAPITAL AND RESERVES			
Called up share capital	14	1	1
Profit and loss account	15	(324,525)	(243,819)
EQUITY SHAREHOLDERS' DEFICIT	15	(324,524)	(243,818)

The financial statements of Happy Café Limited were approved by the board of directors and authorised for issue on 18 December 2013

Signed on behalf of the Board of Directors



W Etchell

Director

Date 18 December 2013

Happy Café Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2013

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

Revenue recognition

Revenue represents the invoiced amount of goods sold. Revenue is recognised as follows

Sales of goods Sales of goods are recognised when the Company has delivered goods to the customer, the customer has accepted the goods, and collectability of the related receivable is reasonably assured

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less its estimated residual value, of each asset evenly over its useful economic life

Fixtures and fittings	–	up to ten years
Office equipment	–	up to five years

The carrying value of tangible fixed asset is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Current taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the tax rates and laws that are enacted or substantively enacted by the balance sheet date

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely that not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale

Statement of cash flows

In accordance with FRS 1 (revised) the Company has not prepared a statement of cash flows as its ultimate parent undertaking, Apollo Group Inc, produces publicly available consolidated financial statements

Happy Café Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2013

ACCOUNTING POLICIES (CONTINUED)

Going Concern

As explained on page 2 of the Directors' Report, since the balance sheet date the Company sold its trade and assets to BPP University Ltd and has ceased trading. It does not expect to trade in the future. Consequently, as required by FRS 18 Accounting Policies the financial statements have been prepared on a basis other than that of a going concern. There are no adjustments resulting from ceasing to apply the going concern basis.

The Company participates in the group's centralised treasury arrangements and so shares banking arrangements with its UK parent BPP Holdings Ltd and fellow subsidiaries.

BPP Holdings Ltd has committed that it will loan as is necessary to this entity to pay its debts as they become due for a period up to 31 March 2015.

2. TURNOVER

Turnover and pre-tax results are attributable to the principal activity of the Company, the provision of catering services. All turnover derives from the United Kingdom and is stated net of VAT.

3. OPERATING LOSS

This is stated after charging

	Year ended 31 August 2013	Year ended 31 August 2012
	£	£
Administrative expenses	7,129	2,447

Current year auditor remuneration of £1,000 has been borne by another group Company and has not been recharged to the Company (2012: £2,000).

4. INTEREST EXPENSE

	Year ended 31 August 2013	Year ended 31 August 2012
	£	£
InterCompany interest	12,240	9,201

Happy Café Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2013

5. DIRECTORS' EMOLUMENTS

The directors are executives of the holding company, BPP Holdings Ltd, and are also directors of BPP University Ltd, BPP Learning Media Ltd, BPP Professional Education Ltd, BPP Services Ltd, BPP International Ltd and BPP Happy Cafe Ltd

The directors received total remuneration of £749,000 from BPP Holdings Ltd during the year, but it is not practicable to allocate this between their services as executives of BPP Holdings Ltd and their services as directors of BPP University Ltd, BPP Learning Media Ltd, BPP Professional Education Ltd, BPP Services Ltd, BPP International Ltd and BPP Happy Café Ltd

In addition, one of the directors is accruing benefits under the BPP Holdings Ltd group pension scheme, which is a defined contribution scheme, in respect of their services to the four group companies

6. STAFF COSTS

	Year ended 31 August 2013 £	Year ended 31 August 2012 £
Wages and salaries	109,338	106,384
Social security costs	9,001	8,743
	<u>118,339</u>	<u>115,127</u>

The average monthly number of persons employed by the Company during the year was as follows

	Year ended 31 August 2013 No	Year ended 31 August 2012 No
Serving staff	<u>7</u>	<u>7</u>

For the year ended 31 August 2013

The government has also announced that it intends to introduce a further 1% reduction in the main Corporation Tax rate to 20%, applicable from 1 April 2015. This further reduction has been substantively enacted at the balance sheet date and is therefore reflected in these financial statements.

Happy Café Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2013

7. TAX ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)

(c) Unrecognised deferred tax assets

The company has trading losses that are available to offset against future taxable profits. A deferred tax asset of £8,158 (2012: £8,158) has not been recognised in respect of these amounts as, based on budgets, the company does not anticipate significant taxable profits to arise within the immediate future.

8. DEFERRED TAX ASSET

	£
At 1 September 2012	8,158
Movement in the year (see note 7 (a))	(8,158)
At 31 August 2013	-
Deferred tax provided consists of	
	£
Depreciation in excess of capital allowances	-
Other timing differences	-
	-

9. TANGIBLE FIXED ASSETS

	Office Equipment £	Fixtures and fittings £	Total £
At 1 September 2012 and 31 August 2013	19,363	70,539	89,902
Depreciation			
At 1 September 2012 and 31 August 2013	19,363	70,539	89,902
Net book value			
At 31 August 2013	-	-	-
At 31 August 2012	-	-	-

10. STOCKS

	2013 £	2012 £
Finished goods – goods held for resale	3,170	3,782

Happy Café Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2013

11. DEBTORS: amounts falling due within one year

	2013	2012
	£	£
Other taxes	-	82
Amounts owed by fellow subsidiary companies	-	1,697
Group Relief receivable	49,383	25,908
	<u>49,383</u>	<u>27,687</u>

12. DEBTORS: amounts falling due after one year

	2013	2012
	£	£
Deferred tax asset (see note 8)	-	8,158
	<u>-</u>	<u>8,158</u>

13. CREDITORS: amounts falling due within one year

	2013	2012
	£	£
Trade creditors	705	5,550
Other taxes	60	-
Other creditors	865	1,518
Amounts owed to fellow subsidiary companies	372,228	310,500
Accruals	3,774	596
	<u>377,632</u>	<u>318,164</u>

14. SHARE CAPITAL

	2013	2012
	£	£
Allotted, called up and fully paid		
1 ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

Happy Café Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2013

15. RECONCILIATION OF SHAREHOLDERS' DEFICIT AND MOVEMENT ON RESERVES

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	£	£	£
At 1 September 2012	1	(243,819)	(243,818)
Loss for the year	-	(80,706)	(80,706)
At 31 August 2013	<u>1</u>	<u>(324,525)</u>	<u>(324,524)</u>

16. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption allowed in FRS 8 and has not disclosed details of related party transactions with entities whose 100% voting rights are controlled within the group

17. PARENT UNDERTAKING AND CONTROLLING PARTY

Apollo Education Group Inc (formerly Apollo Group Inc) is the Company's ultimate parent company where the results of this company are consolidated BPP Holdings Limited is the intermediate parent of the company Apollo Education Group Inc (formerly Apollo Group Inc) is the smallest and the largest group where the results of this company are consolidated Copies of Apollo Education Group Inc's (formerly Apollo Group Inc) financial statements can be obtained from 4025 S Riverpoint, Phoenix, AZ 85040,USA