

# Financial Statements

## PIL UK Holdings 1 Limited

(Formerly known as CIS Holdco Limited)

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**For the period from 1 February 2015 to 31 August 2015**

**Registered number: 08850412**



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## Company Information

**Registered number** 08850412

**Registered office** 11 Staple Inn  
London  
WC1V 7QH

**Directors** A D Delaney  
R J H Robson  
H C G Sturdy  
C D Robinson  
S D R Brown

**Independent auditor** Grant Thornton UK LLP  
Grant Thornton House  
Melton Street  
Euston Square  
London  
NW1 2EP

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## Directors' Report

For the period from 1 February 2015 to 31 August 2015

The directors present their report and the audited financial statements for the seven month period from 1 February 2015 to 31 August 2015. The comparative results for the company cover the period from incorporation on 17 January 2014 to 31 January 2015. There are no consolidation comparatives as the group did not form until the acquisition on 6 February 2015.

The name of the company changed from Duncary 15 Limited to CIS Holdco Limited on 11 February 2015, and then to PIL UK Holdings 1 Limited on 12 April 2016.

### Principal activities

The principal activity of the group is that of provision of education.

### Results and dividends

The loss for the period was £461,443. After allocation to non-controlling interests, the remaining loss was £323,010. The directors have not recommended a dividend.

### Directors

The directors who served during the year were:

A D Delaney  
R J H Robson  
H C G Sturdy  
A C White (resigned 31 March 2015)

### Directors' responsibilities statement

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 group and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

## Directors' Report

For the period from 1 February 2015 to 31 August 2015

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Going concern

The company has received written confirmation that continuing support will be provided by Partners Group Limited and therefore it will be able to meet its financial obligations the foreseeable future from the date of signing the financial statements. Accordingly, the directors consider it is appropriate to prepare the financial statements on a going concern basis.

### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved have confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group'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 and the group's auditor is aware of that information.

### Auditor

The auditor, Grant Thornton UK 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 Part 15 of the Companies Act 2006.

This report was approved by the board on

27/5/16

and signed on its behalf.



S D R Brown  
Director

## Independent Auditor's Report to the Directors of PIL UK Holdings 1 Limited (Formerly known as CIS Holdco Limited)

We have audited the financial statements of PIL UK Holdings 1 Limited (Formerly known as CIS Holdco Limited) for the period ended 31 August 2015 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated statement of cash flows, the consolidated and company statements of changes in equity, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 on page 1, 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 group's and of the parent company's affairs as at 31 August 2015 and of the group's loss for the period then ended;  
have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and  
have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or



## Independent Auditor's Report to the Directors of PIL UK Holdings 1 Limited (Formerly known as CIS Holdco Limited)

- certain disclosures of directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Grant Thornton UK LLP

**Richard Shaw**  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
**London**  
Date: 31/5/16

## Consolidated Profit and Loss Account

For the period from 1 February 2015 to 31 August 2015

		Period ended 31 August 2015
	Note	£
Turnover	1,2	1,934,016
Administrative expenses		<u>(2,089,211)</u>
Operating loss	3	(155,195)
Interest payable and similar charges	4	<u>(309,425)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(464,620)</b>
Tax on loss on ordinary activities	7	<u>3,177</u>
<b>Loss for the financial period</b>	16	<b><u>(461,443)</u></b>
Loss for the period attributable to:		
Owners of the parent		(323,010)
Non-controlling interests		(138,433)

All amounts relate to continuing operations.

There were no items of other comprehensive income in 2015.

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the period dealt with in the accounts of the company was £Nil.

The notes on pages 10 to 21 form part of these financial statements.

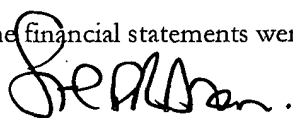


# Consolidated Balance Sheet

As at 31 August 2015

	Note	£	2015 £
<b>Fixed assets</b>			
Intangible assets	8		3,270,685
Tangible assets	10		<u>2,669,625</u>
			5,940,310
<b>Current assets</b>			
Debtors	11	245,934	
Cash at bank and in hand		<u>346,050</u>	
		591,984	
<b>Creditors: amounts falling due within one year</b>	12	<u>(810,667)</u>	
<b>Net current liabilities</b>			<u>(218,683)</u>
<b>Total assets less current liabilities</b>			5,721,627
<b>Creditors: amounts falling due after more than one year</b>	13		(5,566,260)
<b>Deferred tax</b>	14		<u>(200,376)</u>
<b>Net assets</b>			<u><u>(45,009)</u></u>
<b>Capital and reserves</b>			
Called up share capital			114
Share premium account			43,990
Profit and loss account			<u>(323,010)</u>
Equity attributable to owners of the Company			(278,906)
Non-controlling interests			<u>233,897</u>
<b>Total equity</b>			<u><u>(45,009)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27/5/16



**S D R Brown**  
Director

The notes on pages 10 to 21 form part of these financial statements.

# Company Balance Sheet

As at 31 August 2015

	Note	31 August 2015 £	31 January 2015 £
<b>Fixed assets</b>			
Investments	9	44,104	-
<b>Current assets</b>			
Cash		-	1
<b>Creditors:</b> amounts falling due within one year	12	-	-
<b>Net current assets</b>		-	1
<b>Total assets less current liabilities</b>		<u>44,104</u>	<u>1</u>
<b>Capital and reserves</b>			
Called up share capital	15	114	1
Share premium account	16	43,990	
<b>Shareholders' funds</b>		<u>44,104</u>	<u>1</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27/8/15



S Brown  
Director

The notes on pages 10 to 21 form part of these financial statements.

# Consolidated Statement of Cash Flows

For the period from 1 February 2015 to 31 August 2015

	Period ended 31 August 2015 £
<b>Cash flows from operating activities</b>	
Loss for the financial year	(461,443)
Adjustments for:	
Amortisation	106,592
Depreciation	94,790
Interest paid	309,425
Tax	(3,177)
(Increase) in debtors	(184,327)
(Decrease) in creditors	(39,168)
<b>Net cash generated from operating activities</b>	(177,308)
<b>Cash flows from investing activities</b>	
Investment in schools	(3,149,670)
Cash on acquisition	731,618
Loan on acquisition	(797,330)
Loan from parent	3,587,495
Loan from director	977,000
Share proceeds	44,103
Purchases of tangible assets	(513,207)
<b>Net cash from investing activities</b>	880,009
<b>Cash flows from financing activities</b>	
Repayment of bank loans	(41,146)
Repayment of finance lease obligations	(6,080)
Interest paid	(309,425)
<b>Net cash used in financing activities</b>	(356,651)
<b>Net increase in cash and cash equivalents</b>	346,050
<b>Cash and cash equivalents at the beginning of the period</b>	-
<b>Cash and cash equivalents at the end of the period</b>	346,050

The notes on pages 10 to 21 form part of these financial statements.

## Consolidated Statement of Changes in Equity

For the period from 1 February 2015 to 31 August 2015

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of the Company	Non- controlling interest	Total equity
	£	£	£	£		
At 1 February 2015	1	-	-	1	-	1
Acquisition of subsidiaries	-	-	-	-	372,330	372,330
Loss for the year	-	-	(323,010)	(323,010)	(138,433)	(461,433)
Issue of shares	<u>113</u>	<u>43,990</u>	<u>-</u>	<u>44,103</u>	<u>-</u>	<u>44,103</u>
At 31 August 2015	<u>114</u>	<u>43,990</u>	<u>(323,010)</u>	<u>(278,906)</u>	<u>233,897</u>	<u>(45,009)</u>

## Company Statement of Changes in Equity

For the period from 1 February 2015 to 31 August 2015

	Called up share capital	Share premium account	Total
	£	£	£
At 17 January 2014	-	-	-
Issue of shares	1	-	1
At 31 January 2015	1	-	1
Issue of shares	113	43,990	44,103
At 31 August 2015	<u>114</u>	<u>43,990</u>	<u>44,104</u>

The notes on pages 10 to 21 form part of these financial statements.

# Notes to the Financial Statements

For the period from 1 February 2015 to 31 August 2015

## 1. Accounting Policies

### 1.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in Sterling (£).

The group financial statements consolidate the financial statements of PIL UK Holdings 1 Limited (Formerly known as CIS Holdco Limited) and all its subsidiary undertakings drawn up for the period from 1 February to 31 August 2015.

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Profit and Loss Account in these financial statements. The parent company's profit for the period was £Nil.

### 1.2 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

### 1.3 Investments in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

# Notes to the Financial Statements

For the period from 1 February 2015 to 31 August 2015

## 1.4 Going concern

The company has received written confirmation that continuing support will be provided by Partners Group Limited and therefore it will be able to meet its financial obligations the foreseeable future from the date of signing the financial statements. Accordingly, the directors consider it is appropriate to prepare the financial statements on a going concern basis.

## 1.5 Turnover

Turnover represents the total value of goods and services provided during the year. Fees are credited to turnover as educational and related services are delivered to students.

## 1.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

## 1.7 Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## 1.8 Intangible fixed assets and goodwill

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. The student registry was identified as an intangible asset upon acquisition.

Goodwill arising on the acquisition of the subsidiary undertakings is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method.

The intangible assets are amortised over the following useful economic lives:

- Student registry 6 years
- Goodwill 40 years

As the impact of the amortisation in this short accounting period is deemed to not be material, no amortisation has been applied.

## 1.9 Tangible assets

Tangible fixed assets are initially recorded at cost. Where contributions to fixed assets are received from lessors, the amounts receivable are deducted from the cost of the associated asset such that the net amount capitalised represents the cost to the group.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

## Notes to the Financial Statements

For the period from 1 February 2015 to 31 August 2015

Motor vehicles	-	25% per annum of net book value
Land and buildings	-	Nil- 2%
Plant and equipment	-	20% and 4% per annum of cost
Fixture, fittings and equipment	-	10%-15% per annum of cost
Leasehold improvements	-	Straight line over the life of the lease
Computer equipment	-	33% per annum of cost

### 1.10 Deferred taxation

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

### 1.11 Pensions

The group contributes to the personal pension plans of certain directors and employees. Contributions payable for the period were expensed in the profit and loss account.

### 1.12 Significant judgements and estimates

The only significant judgements and estimates relate to the value and useful lives of assets, tangible fixed assets, intangible assets and goodwill. See 1.8 - 1.9 for further details of these policies.

## 2. Turnover

The turnover and profit before tax are attributable to the one principle activity of the group which only operates in the United Kingdom.

## 3. Operating loss

The operating loss is stated after charging:

	Period ended 31 August 2015 £
Amortisation - intangible fixed assets	106,592
Depreciation of tangible fixed assets:	
- owned by the group	83,626
- assets under finance leases	11,164
Auditor's remuneration	29,500

## Notes to the Financial Statements

For the period from 1 February 2015 to 31 August 2015

### 4. Interest payable and similar charges

	Period ended 31 August 2015 £
Loan from ultimate parent	174,112
Loan from director	55,408
Bank loan	23,586
Exchange losses	56,319
	<hr/> 309,425 <hr/>

### 5. Directors and employees

Staff costs, including directors' remuneration, were as follows:

	Period ended 31 August 2015 £
Wages and salaries	1,217,876
Social security costs	104,871
Other pension costs	5,293
	<hr/> 1,328,040 <hr/>

The average monthly number of employees, including the directors, during the period was 104.

### 6. Directors' remuneration

	Period ended 31 August 2015 £
Remuneration	<hr/> 48,918 <hr/>

Directors are considered to be key management personnel.

Only one director was paid through PIL UK Holdings 1 Limited (Formerly known as CIS Holdco Limited) and its group companies. During the period, one director accrued money purchase retirement benefits.



## Notes to the Financial Statements

For the period from 1 February 2015 to 31 August 2015

### 7. Taxation

	Period ended 31 August 2015 £
<b>Analysis of tax charge/(credit) in the year/period</b>	
Current tax (see note below)	22,892
Deferred tax charge	(26,069)
Tax on loss on ordinary activities	<u>(3,177)</u>

#### Factors affecting tax charge for the period

	Period ended 31 August 2015 £
Loss on ordinary activities before tax	(464,620)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.58%	(94,137)
<b>Effects of:</b>	
Expenses not deductible for tax purposes	58,261
Losses not recognised	20,211
Effect of gains	8,813
Tax rate changes	2,610
Acquisition adjustments	1,065
<b>Current tax charge/(credit) for the year/period (see note above)</b>	<u>(3,177)</u>

# Notes to the Financial Statements

For the period from 1 February 2015 to 31 August 2015

## 8. Intangible fixed assets

Group	Student registry £	Goodwill £	Total £
<b>Cost</b>			
At 1 February 2015	-	-	-
Acquired in period	<u>1,096,375</u>	<u>2,280,902</u>	<u>3,377,277</u>
At 31 August 2015	<u>1,096,375</u>	<u>2,280,902</u>	<u>3,377,277</u>
<b>Amortisation</b>			
At 1 February 2015	-	-	-
Charge for the period	<u>(106,592)</u>	<u>-</u>	<u>(106,592)</u>
At 31 August 2015	<u>(106,592)</u>	<u>-</u>	<u>(106,592)</u>
<b>Net book value</b>			
At 31 August 2015	<u>989,783</u>	<u>2,280,902</u>	<u>3,270,685</u>
At 1 February 2015	<u>-</u>	<u>-</u>	<u>-</u>

The goodwill arose on the acquisition of the Cambridge International School Limited and Temple Cambridge Limited on 6 February 2015.

Assets and liabilities acquired were at fair value.

	Acquired on acquisition	Cambridge International School Limited	Temple Cambridge Limited	Total
Cost of Investment	-	2,854,200	295,470	3,149,670
Net Assets Acquired	899,027	386,942	(44,871)	1,371,941
Non-controlling Interest	(269,708)	(425,044)	13,461	(372,330)
Goodwill	(629,319)	1,862,431	326,880	2,280,902

## Notes to the Financial Statements

For the period from 1 February 2015 to 31 August 2015

### 9. Investments

Company	Investments £
Cost	
At 1 February 2015	-
Acquired in period	<u>44,104</u>
At 31 August 2015	<u>44,104</u>

At 31 August 2015 the group and the company had interests in the following subsidiaries:

Subsidiaries	Types of shares held	Proportion held (%)	Country of incorporation	Nature of business
PIL UK Holdings 2 Limited (formerly known as CIS Bidco Limited)	Ordinary	100	UK	Intermediary holding company
Cambridge International School Ltd	Ordinary	100	UK	Education
Temple Cambridge Ltd	Ordinary	100	UK	Property holding company

Interests in Cambridge International School Ltd and Temple Cambridge Ltd are held via PIL UK Holdings 2 Limited (formerly known as CIS Bidco Limited).

# Notes to the Financial Statements

For the period from 1 February 2015 to 31 August 2015

## 10. Tangible fixed assets

	Land and buildings £	Fixtures, fittings & equipment £	Plant & machinery £	Assets under construction £	Group Total £
<b>Cost</b>					
At 1 February 2015	-	-	-	-	-
On acquisition of subsidiaries	2,342,316	114,920	223,171	-	2,680,407
Additions	29,586	5,278	40,463	437,880	513,207
Disposals	(114,156)	-	-	-	(114,156)
<b>At 31 August 2015</b>	<b><u>2,257,746</u></b>	<b><u>120,198</u></b>	<b><u>263,634</u></b>	<b><u>437,880</u></b>	<b><u>3,079,458</u></b>
<b>Depreciation</b>					
At 1 February 2015	-	-	-	-	-
On acquisition of subsidiaries	184,040	37,442	93,561	-	315,043
Charge for the period	46,151	10,606	38,033	-	94,790
<b>At 31 August 2015</b>	<b><u>230,191</u></b>	<b><u>48,048</u></b>	<b><u>131,594</u></b>	<b><u>-</u></b>	<b><u>409,833</u></b>
<b>Net book value</b>					
<b>At 31 August 2015</b>	<b><u>2,027,555</u></b>	<b><u>72,150</u></b>	<b><u>132,040</u></b>	<b><u>437,880</u></b>	<b><u>2,669,625</u></b>
At 1 February 2015	-	-	-	-	-

Of the tangible fixed assets held, assets with a cost of £53,286 (NBV of £30,966) are under finance leases.

No tangible fixed assets were held by the company.

## 11. Debtors

	Group 2015 £	Company 2015 £	Company 2014 £
Trade debtors	209,756	-	-
Prepayments and accrued income	20,714	-	-
Other debtors	15,464	-	-
	<u>245,934</u>	<u>-</u>	<u>-</u>

## Notes to the Financial Statements

For the period from 1 February 2015 to 31 August 2015

### 12. Creditors:

#### Amounts falling due within one year

	Group 2015 £	Company 2015 £	Company 2015 £
Trade creditors	377,490	-	-
Accruals	192,736	-	-
Fees in advance	79,650	-	-
Bank loan	70,536	-	-
Other taxation and social security	56,623	-	-
Corporation tax	21,472	-	-
Finance lease	12,160	-	-
	<u>810,667</u>	=	=

Finance lease liabilities are secured against the assets to which they relate.

### 13. Creditors:

#### Amounts falling due after more than one year

	Group 2015 £	Company 2015 £	Company 2014 £
Loan from parent company	3,587,495	-	-
Bank loan	891,098	-	-
Director loan	1,032,408	-	-
Deferred income	24,750	-	-
Finance lease	18,089	-	-
Fees in advance	12,420	-	-
	<u>5,566,260</u>	=	=

Bank loans are repayable as follows:

	Group 2015 £	Company 2015 £	Company 2014 £
Within one year	70,536	-	-
Between one to two years	70,536	-	-
Between two to five years	211,608	-	-
More than five years	608,954	-	-
	<u>961,634</u>	=	=

The bank loan relates to a £1.1m facility with a final repayment date in 2035. The interest rate is 3.5% per annum over base rate. This loan is secured through a cross guarantee and debenture with Cambridge International School Limited and a charge over The Temple Little Abbingdon Cambridge.

## Notes to the Financial Statements

For the period from 1 February 2015 to 31 August 2015

### 14. Deferred taxation

Deferred Tax Liability	Group 2015 £	Company 2015 £	Company 2014 £
At 1 February	-	-	-
Fixed asset timing differences	23,166	-	-
Short term timing differences	(951)		
Intangible asset timing differences	178,161		
At 31 August	<u>200,376</u>	<u>-</u>	<u>-</u>

### 15. Share capital

	Group 2015 £	Company 2015 £	Company 2014 £
Authorised, allotted and fully paid			
Ordinary shares of £1 each	114	114	1
	<u>114</u>	<u>114</u>	<u>1</u>

Consideration received for the allotment of ordinary shares during the year was as follows:

On 6 February 2015, 99 ordinary shares with aggregate nominal value of £14, were issued at £390 each.

On 25 August 2015, 14 ordinary shares with aggregate nominal value of £14, were issued at £385.31 each.

### 16. Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Share premium account – includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account – includes all current and prior period retained profits and losses.

### 17. Capital commitments

The group had no capital commitments as at 31 August 2015. There is authorised capital expenditure on three capital projects.

## Notes to the Financial Statements

For the period from 1 February 2015 to 31 August 2015

### 18. Contingent liabilities

There were no contingent liabilities as at 31 August 2015.

### 19. Related party transactions

The company has taken advantage of the exemption in FRS 102 section 33.1A and has not disclosed transactions with wholly owned subsidiaries.

PIL UK Holdings 2 Limited (formerly known as CIS Bidco Limited) has taken a loan in the period from the ultimate parent company, Permotio International Learning S.a.r.l. Interest on the loan is charged at 10.33%. The loan is repayable in 2025.

The services of all directors other than H C G Sturdy are paid for by International Schools Partnership Services Limited, a related company.

### 20. Ultimate parent undertaking and controlling party

At 1 February and 31 August 2015, the immediate parent company is Permotio International Learning S.a.r.l. A.R.L., based in Luxembourg. This is both the largest and smallest level of consolidation, although the accounts are not publicly available.

Partners Group AG is considered to be the ultimate controlling party by virtue of its controlling shareholding in PIL UK Holdings 1 Limited (Formerly known as CIS Holdco Limited).

### 21. Financial risk management

The group has exposures to three main areas of risk - foreign exchange currency exposure, liquidity risk and customer credit exposure. To a lesser extent the group is exposed to interest rate risk.

#### Foreign exchange transactional currency exposure

Foreign exchange exposure is limited to a Euro denominated loan received from a related company.

#### Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### Customer credit exposure

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of student fees, hence no significant credit risk exposure to one single counterparty.

## Notes to the Financial Statements

For the period from 1 February 2015 to 31 August 2015

### **Interest rate risk**

The Group is exposed to interest rate risk because entities in the group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring the most cost-effective hedging strategies are applied.

### **22. Subsequent Events**

The company changed its name to PIL UK Holdings 1 Limited on 12 April 2016.