

BPP INTERNATIONAL LIMITED

Annual Report and Financial Statements

For the year ended 31 August 2017

Registered No. 03626135



BPP International Limited

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

A Barbe (Appointed 30/09/2016)
G Gaddes (Appointed 06/02/2018)
G Dart (Appointed 06/02/2018)

AUDITOR

Deloitte LLP
Statutory Auditor
St Albans
United Kingdom

BANKERS

Barclays Bank PLC
27 Soho Square
London W1D 3QR

SOLICITORS

Eversheds LLP
One Wood Street
London
EC2V 7WS

REGISTERED OFFICE

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

STRATEGIC REPORT

Results and dividends

The profit and loss account for the year shows a loss after tax of £161,260 (2016 loss: £1,479,374). The directors do not recommend a dividend (2016: £nil).

Principal activity of the business

The principal activity of the Company is the provision of accountancy training through classroom and online courses.

Financial review

Turnover for the year was £56,773 (2016: £474,824) representing a decrease of £418,051 (88%) with the majority of the decrease due to the declining sales as the Slovakia branch ceased training on 16 September 2016. Operating loss for the year has decreased from £1,331,156 to £251,213.

Analysis of key performance indicators

The key performance indicators of the Company have been identified as turnover, operating margin and profitability which are discussed in the financial review paragraph above.

Key risks and uncertainties

Outlined below is a description of the principal risk factors that management considers affect the Company's business. Not all the factors are within management's control and other factors besides those listed below could also affect the Company.

Business Systems and Infrastructure

The risk encompasses the potential for business infrastructure – including management information, customer and sales management systems and the network infrastructure – not being capable of supporting the growth of the business. The pattern of trading has significant areas of peak demand for our systems. In particular, enrolment for the examinations businesses is very concentrated around the twice-yearly examination results.

Economy and Competition

As a late cycle business, the continuing uncertainty in both the global and UK economy has had some impact on our business and will continue to be a risk for the future. The Company also faces strong competition in its key markets. The Company seeks to address these risks by maintaining its high standards of education in order to be the provider of choice for the Company's students, closely monitoring the economic outlook in core geographies and by having flexible resources available so the Company is able to respond to changes in economic conditions or competitor actions.

Examinations set by External Bodies

A large part of our business is teaching for exams, or to a syllabus set by external professional bodies. A change in the way in which subjects are examined, or a reduction in the size of the syllabus, could have a detrimental impact on our business. The Company mitigates this by maintaining a close working relationship with the examination bodies and is aware of significant changes sufficiently in advance to take appropriate measures.

Reputation Risk

Our brand is one of the most successful and best established in the European Training market and represents a key element of the Company's overall marketing and positioning. In the event that our brand or reputation is damaged, this could impact on the marketing of the Company's products and services. To prevent this we have many quality assurance mechanisms to ensure that our teaching and course materials remain of the highest standard.

Dependency on buildings

The loss of access to one of the larger key teaching sites for more than a short period could disrupt teaching for a significant number of students whilst alternative venues are secured. Appropriate insurance cover is in place to mitigate the financial impact of disruption to the business.

STRATEGIC REPORT (CONTINUED)

Liquidity and Cash Flow Risks

The Company manages its cash flow within the framework of the BPP Group treasury function. Focus is given to managing and collecting outstanding debt and maintaining operating cash flows. The Group policy is to ensure that the Group has adequate committed bank facilities available and operates within its covenants, maintaining a balance between continuity of funding and flexibility through the use of its own resources, overdrafts, revolving credit facilities and leases.

Outlook

The current outlook for BPP International Limited is positive. We continue to invest in and launch new products to help strengthen BPP's position in the market. However, the current market conditions are expected to remain challenging over the next few years as the flow through of students for the main qualifications taught by the Company is affected by the current lower levels of recruitment and training in the marketplace.

By order of the Board



G Gaddes

Director

Date: 24th May 2018

BPP International Limited

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 August 2017.

Information about the company's performance, outlook, strategy, policies, and risk and uncertainties can be found in the strategic report.

Directors

The directors who served during the year or were subsequently appointed are set out below:

C Lygo (Resigned 08/03/2017)
A Barbe (Appointed 30/09/2016)
W Etchell (Resigned 30/09/2016)
T Stewart (Appointed 08/03/2017, Resigned 06/02/2018)
G Gaddes (Appointed 06/02/2018)
G Dart (Appointed 06/02/2018)

Going Concern

After making enquiries the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the Company financial statements (see note 1 for further details).

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

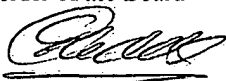
Re-appointment of auditor

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 auditor in the absence of an Annual General Meeting.

Audit Report Qualification

The accounts have been given a qualified audit opinion with respects to the Slovakian branch. The reason for this was due to the difficulties in obtaining explanations behind the information following the closure of the branch in September 2016. The qualification is only isolated to this one discreet section of the accounts relating to revenue, cost of sales and administrative expenses of £25,912, £22,811 and £35,347 respectively.

By order of the Board


G Gaddes

Director

Date: 24th May 2018

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), including FRS 102 "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 year. 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, and 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 to 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.

BPP International Limited

INDEPENDENT AUDITOR'S REPORT

To the members of BPP International Limited

Report on the audit of the financial statements

Qualified opinion on financial statements

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion on financial statements section, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of BPP International Limited (the 'Company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for qualified opinion on financial statements

The audit evidence available to us was limited with respect to revenue, cost of sales and administrative expenses for the year ended 31 August 2017 relating to the company's branch in Slovakia having a value of £25,912, £22,811 and £35,347 respectively, because of the closure of the branch during the year and subsequent difficulties in obtaining supporting evidence for the transaction that took place during the year, in line with last year. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding these transactions by using other audit procedures. Our audit report for the year ended 31 August 2017 was modified accordingly.

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.

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 qualified opinion.

BPP International Limited

INDEPENDENT AUDITOR'S REPORT

To the members of BPP International Limited

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

BPP International Limited

INDEPENDENT AUDITOR'S REPORT

To the members of BPP International Limited

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.

Report on other legal and regulatory requirements

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 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.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to revenue, cost of sales and administrative expenses, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been kept.

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:

- 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.

We have nothing to report in respect of these matters.



David Halstead FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
St Albans, United Kingdom
Date: 24 May 2018

BPP International Limited**PROFIT AND LOSS ACCOUNT**

For year ended 31 August 2017

Company No. 03626135

		Year ended 31 August 2017 £	Year ended 31 August 2016 £
	Notes		
TURNOVER	3	56,773	474,824
Cost of sales		(87,699)	(431,872)
GROSS LOSS		(30,926)	42,952
Administrative expenses		(220,287)	(1,374,108)
OPERATING LOSS	4	(251,213)	(1,331,156)
Impairment of investment in subsidiary		(39,917)	(297,329)
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		(290,130)	(1,628,485)
Interest income	7	1	978
Interest expense	8	(12,692)	(13,784)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(302,820)	(1,641,291)
Tax credit on Loss on ordinary activities	9	141,561	161,917
LOSS FOR THE YEAR		(161,260)	(1,479,374)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(161,260)	(1,479,374)

The profit and loss account has been prepared on the basis that all operations are continuing.

There were no recognised gains or losses other than the loss for the year of £161,260 (2016: loss £1,479,374).

Notes on pages 12-21 form part of these financial statements.

BPP International Limited

BALANCE SHEET

as at 31 August 2017

Company No. 03626135

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	10	-	15,864
Investments	11	259,411	183,324
		<u>259,411</u>	<u>199,188</u>
CURRENT ASSETS			
Stocks	12	-	2,433
Debtors: amounts falling due within one year	13	2,061,162	1,416,136
Debtors: amounts falling due after more than one year	13	9,067	13,518
Cash at bank and in hand		(1,867,657)	(817,446)
		<u>202,572</u>	<u>-614,641</u>
CREDITORS: amounts falling due within one year	15	<u>(1,454,718)</u>	<u>(1,643,777)</u>
NET CURRENT ASSETS		<u>(1,252,146)</u>	<u>(1,029,136)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(992,735)</u>	<u>(829,948)</u>
CAPITAL AND RESERVES			
Called up share capital	16	77,000	77,000
Share premium account		24,995	24,995
Profit and loss account		(1,094,730)	(931,943)
SHAREHOLDERS' DEFICIT		<u>(992,735)</u>	<u>(829,948)</u>

Notes on pages 12-21 form part of these financial statements.

The financial statements of BPP International Limited were approved by the board of directors and authorised for issue and signed on their behalf by:



G Dart

Director

Date: 24th May 2018

BPP International Limited

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 August 2017

Company No. 03626135

	Share capital	Share premium	Profit and loss account	Shareholders' deficit
	£	£	£	£
At 1 September 2015	100	24,995	528,374	553,469
Loss for the year	-	-	(1,479,374)	(1,479,374)
Share Issue	16	76,900	-	76,900
Exchange differences	-	-	19,057	19,057
At 31 August 2016	77,000	24,995	(931,943)	(829,948)
Loss for the year	-	-	(161,260)	(161,260)
Exchange difference	-	-	(1,527)	(1,527)
At 31 August 2017	77,000	24,995	(1,094,730)	(992,735)

BPP International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2017

1. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the financial statements for the year are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 August 2017.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issue by the Financial Reporting Council.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

BPP International Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to financial instruments, intra-group transactions and remuneration of key management personnel.

Going Concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out on pages 2 - 3 in the Strategic Report and page 4 of the Directors' Report.

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

BPP Holdings Limited has committed that it will lend as is necessary to this entity to pay the debts of BPP International Limited as they become due for a period up to 30 June 2019. Having assessed the responses of the directors of BPP Holdings Limited, the directors of the Company have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of BPP International Limited to continue as a going concern.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of BPP Holdings Limited, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Group financial statements

The Company is exempt from the obligation to prepare and deliver group financial statement by virtue of s401 of the Companies Act 2006. The results of this Company are consolidated within the financial statements of Apollo Education Group Inc. a Company incorporated in the United States of America. Copies of Apollo Education Group Inc.'s financial statements can be obtained from 4025 S Riverpoint, Phoenix, AZ 85040.

Statement of cash flows

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

Tangible fixed assets

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Short leasehold property	–	straight line basis over the lease term
Fixtures and fittings	–	10% to 20% per annum on cost
Office equipment	–	20% to 33.3% per annum on cost

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 August 2017

1. ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets (continued)

An asset's carrying amount is written down immediately to its recoverable amount (the higher of an asset's fair value less costs to sell and its value in use) if the asset's carrying amount is greater than its estimated recoverable amount.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

The assets and liabilities of foreign operations are translated into Pounds sterling at the rate of exchange prevailing at the balance sheet date. Income and expenses are translated at weighted average exchange rates for the year. The resulting exchange differences are reported in the statement of total recognized gains and losses. All other exchange differences are taken to the profit and loss account.

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 that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exception:

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

Deferred tax is measured on a non-discounted 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.

Operating lease commitments

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

Revenue recognition

Revenue represents the invoiced amount of goods and services provided. Revenue is recognised as follows:

Rendering of services: When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied: the revenue can be measured reliably; it is probable that the economic benefits will flow to the entity; the stage of completion at the balance sheet date can be measured reliably; and the costs relating to the transaction can be measured reliably.

BPP International Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 August 2017

1. ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

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.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Stocks

Stocks are principally books, which are stated at the lower of cost and net realisable value. External creative costs and artwork costs of new titles are absorbed into the cost of the first print run. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Pension policy

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company and the annual contributions payable are charged to the profit and loss account.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The directors deem that there were no critical judgements in applying the Company's accounting policies and no key source of estimation uncertainty involved in these financial statements.

3. TURNOVER

Turnover and pre-tax results are attributable to the continuing principal activity of the Company, the provision of education. All turnover derives from mainland Europe and represents the invoiced amount of goods and services provided during the year net of VAT. Amounts invoiced but unearned at the year-end are treated as deferred revenue.

4. OPERATING LOSS

This is stated after charging:

	Year ended 31 August 2017	Year ended 31 August 2016
	£	£
Write-off of intercompany balances	-	512,014
Depreciation	-	3,537
Operating lease rentals	18,698	92,547
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	7	923
	=====	=====

BPP International Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 August 2017

5. DIRECTORS' EMOLUMENTS

The amount remunerated to directors of the Company by its parent, BPP Holdings Limited or its fellow subsidiary, BPP University Limited, was £1,578,000 (2016: £1,364,989). It is not practicable to allocate this between their services as executives of BPP Holdings Limited and their services as directors of BPP subsidiary companies. The directors are executives of the holding Company, BPP Holdings Limited, and are also directors of other BPP subsidiary companies.

In addition, all of the directors were accruing benefits under the BPP Holdings Limited group pension scheme, which is a defined contribution scheme, in respect of their services to the group companies. This amount is included in amount remunerated to directors of BPP Holdings Limited above.

6. STAFF COSTS

	Year ended 31 August 2017	Year ended 31 August 2016
	£	£
Wages and salaries	156,779	285,224
Social security costs	11,690	34,878
Other pension costs	13,755	3,625
	<u>182,224</u>	<u>323,727</u>

The monthly average number of employees during the year was as follows:

	No.	No.
Teaching and administration	<u>4</u>	<u>6</u>

The Company provides a defined contribution pension plan to its employees. The pension plan is administered by an external pension provider. The Company is required to contribute a specified percentage of payroll costs to the scheme to fund the benefit and has no other obligation under the scheme other than to make the required contributions.

7. INTEREST INCOME

	Year ended 31 August 2017	Year ended 31 August 2016
	£	£
Interest on intercompany balances	<u>1</u>	<u>978</u>
	<u>1</u>	<u>978</u>

BPP International Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 August 2017

8. INTEREST EXPENSE

	Year ended 31 August 2017	Year ended 31 August 2016
	£	£
Interest on intercompany balances	12,692	13,784

9. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	Year ended 31 August 2017	Year ended 31 August 2016
	£	£
<i>(a) Analysis of credit in the year</i>		
<i>Current tax</i>		
UK corporation tax	-	7,462
Tax overprovided in prior years	(100,271)	(3,462)
Group relief receivable	(38,839)	(170,000)
Total current tax	(139,110)	(166,000)
<i>Deferred tax</i>		
Origination and reversal of timing difference - current year	(2,714)	1,507
Origination and reversal of timing difference - prior year	(510)	1,871
Decrease in tax rate	773	705
Total deferred tax (note 14)	(2,451)	4,083
Tax credit on loss on ordinary activities	(141,561)	(161,917)

BPP International Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 August 2017

9. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)

b) Factors affecting total tax for the year

	Year ended 31 August 2017	Year ended 31 August 2016
	£	£
Loss on ordinary activities before tax	(302,820)	(1,641,291)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.58% (2016:20%)	(59,292)	(328,258)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	12,638	163,791
Tax overprovided in prior years	(100,271)	(3,462)
Overseas taxes	-	3,117
Depreciation in excess of capital allowances	-	(1,642)
Loss on disposal of asset not allowable	3,133	-
Other timing differences	4,682	454
Deferred tax	(2,451)	4,083
Total tax credit for the year	(141,561)	(161,917)

The Finance Act 2015 was enacted on 18 November 2015 meaning that the main rate of UK Corporation Tax will be reduced to 19% for the years starting from 1 April 2017, 2018 and 2019 and 18% from 1 April 2020.

During the year beginning 1 September 2017, the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge for the year by £2,714. This is due to a combination of fixed asset and short term timing differences. These will be carried forward indefinitely.

BPP International Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 August 2017

10. TANGIBLE FIXED ASSETS

	<i>Short- leasehold property</i> £	<i>Fixtures and fittings</i> £	<i>Office equipment</i> £	<i>Total</i> £
Cost:				
At 1 September 2016	21,043	11,555	26,937	59,535
Disposals	(21,043)	(11,555)	(26,937)	(59,535)
At 31 August 2017	-	-	-	-
Depreciation:				
At 1 September 2016	8,598	11,094	23,979	43,671
Depreciation on disposals	(8,598)	(11,094)	(23,979)	(43,671)
At 31 August 2017	-	-	-	-
Net book value:				
At 31 August 2017	-	-	-	-
At 31 August 2016	12,445	461	2,958	15,864

11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Cost

At 1 September 2016	£ 480,653
Additional investment in BPP Enterprise (Shanghai) and BPP Columbia	115,004
At 31 st August 2017	595,657

Provision

At 1 September 2016	£ 297,329
Impairment in investments	38,918
At 31 st August 2017	336,246
Net investment at 31 st August 2017	259,411
Net investment at 31 st August 2016	183,324

BPP International Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 August 2017

11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS (CONTINUED)

Subsidiary undertakings	Percentage owned	Country of incorporation	2017 £	2016 £
BPP International Investments Limited	100%	United Kingdom	71,275	71,275
BPP Professional Education SP .z.o.o	100%	Poland	62,221	77,671
Business Training Romania SRL	100%	Romania	-	68
BPP Enterprise Management (Shanghai)	100%	Shanghai	125,915	34,310
BPP Colombia	100%	Colombia	0	0
			<u>259,411</u>	<u>183,324</u>

BPP International Investments Limited is dormant. All other companies undertake training and education as the nature of their business.

BPP Columbia was fully impaired in 2017.

All shares carry equal voting rights

12. STOCKS

	2017 £	2016 £
Finished goods – books held for resale	-	2,433
	<u>-</u>	<u>2,433</u>

There are no material differences between the balance sheet value of stocks and their replacement costs.

13. DEBTORS:

A) Amounts falling due within one year

	2017 £	2016 £
Trade debtors	-	113,776
Amounts owed by fellow subsidiary undertakings	1,684,847	1,014,063
Amounts owed by parent undertaking	3,871	-
Other debtors	10,881	10,960
Other taxes	-	5,676
Inter-company in respect of Group tax relief	356,355	260,624
Prepayments	1,458	6,874
Accrued income	3,750	4,163
	<u>2,061,162</u>	<u>1,416,136</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 August 2017

13. DEBTORS (CONTINUED):*B) Amounts falling due after one year*

	2017	2016
	£	£
Prepayments	-	6,902
Deferred tax (note 14)	9,067	6,616
	<u>9,067</u>	<u>13,518</u>

The long term prepayment represents a rent deposit for a property in Slovakia.

14. DEFERRED TAX ASSET

	2017	2016
	£	£
At 1 September	6,616	10,699
Profit and loss account (note 9)	2,451	(4,083)
	<u>9,067</u>	<u>6,616</u>
At 31 August	<u>9,067</u>	<u>6,616</u>

The deferred tax consists of:

	2017	2016
	£	£
Decelerated Capital allowance	9,067	6,616
	<u>9,067</u>	<u>6,616</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	5,805	41,201
Amounts owed by parent undertaking	53,901	68,333
Amounts owed to fellow subsidiary undertakings	1,344,287	1,360,776
Other creditors	23,400	56,644
Corporation tax	-	52,917
Taxation and social security	7,228	-
Accruals	20,097	57,942
Deferred revenue	-	5,964
	<u>1,454,718</u>	<u>1,643,777</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 August 2017

16. SHARE CAPITAL & SHARE PREMIUM

A) SHARE CAPITAL	2017	2016
	£	£
Allotted, called up and fully paid:		
77,000 ordinary shares of £1 each		
At 1 September	77,000	100
Issued during the year 76,900 ordinary shares of £1 each	-	76,900
At 31 st August	77,000	77,000
B) SHARE PREMIUM	2017	2016
	£	£
At 1 September 2016 and 31 st August 2017	24,995	24,995

17. CAPITAL COMMITMENTS

There were no capital commitments at 31 August 2017 (2016: £nil).

18. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption allowed under Section 33 of FRS 102 and has not disclosed details of related party transactions with entities within the BPP Holdings Limited group.

19. PARENT UNDERTAKING AND CONTROLLING PARTY

In the opinion of the directors, the Company's ultimate parent Company is AP VIII Queso Holdings, L.P incorporated in USA. The Company's immediate controlling party is BPP Holdings Limited. Apollo Education Group Inc. is the smallest where the results of this Company are consolidated and AP VIII Queso Holdings, L.P. is the largest group where the results of the Company are consolidated. Copies of Apollo Education Group Inc's consolidated financial statements for the period ending 31 August 2017 can be obtained from 4025 S Riverpoint, Phoenix, AZ 85040, USA.

20. SUBSEQUENT EVENTS

On 28 February 2018 AP VIII Queso Holdings, L.P legally separated a number of its subsidiaries into new statutory groups. Following this the ultimate parent Company of BPP Holdings Limited is now Socrates Global Parent Limited, a Company that is incorporated in the UK with a registered office of Eversheds House, 70 Great Bridgewater Street, Manchester, England And Wales, United Kingdom, M1 5ES."

In February 2018 £100 Share Capital was purchased in BPP South Africa (PTY) Ltd.