

BPP INTERNATIONAL LIMITED

Annual Report and Financial Statements

For the year ended 31 August 2018

Registered No. 03626135

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COMPANIES HOUSE

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

A Wells

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, England

W12 8AA

BPP International Limited

STRATEGIC REPORT

Principal activity of the business

The principal activity of the Company is as an intermediate holding company and provider of services to its subsidiaries.

Review of the business

The profit and loss account for the year shows a loss after tax of £59,961 (2017 loss: £161,260). The directors do not recommend a dividend (2017: £nil).

Turnover for the year was £25,873 (2017: £56,773) representing a decrease of £30,900 (54%) with the majority of the decrease due to a strategic decline in sales as the company has divested of some trading branches. Operating loss for the year has decreased from £251,213 to £64,030.

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.

Economy and Competition

As a late cycle business, the uncertainty in the global economy and that caused by the UK leaving the European Union (Brexit) has had a minor impact on our business in 2018 but could represent a greater risk for the future. The key risk that Brexit represents to the Company is predominantly the wider economic impact causing reduced discretionary spend by students and graduate hires by corporates. 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.

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.

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.

Future developments

The nature of the Company's activities is to provide services to its fellow subsidiary companies. As such the Company is expected to continue to perform in line with previous year.

Approved by the Board and signed on its behalf by

G Gaddes

Director



Date: 18/12/2018

BPP International Limited

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 August 2018.

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:

A Wells

T Stewart (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.

Approved by the Board and signed on its behalf by

G Gaddes

Director



Date: 18/12/2018

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.

Independent Auditor's Report To The Members Of BPP International Limited

Report on the audit of the financial statements

Qualified opinion

In our opinion, except for the possible effects on the corresponding figures of the matter described in the basis for qualified opinion section of our report, the financial statements of BPP International Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 August 2018 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 which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- 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, 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

The audit evidence available to us in the year ended 31 August 2017 was limited with respect to revenue, cost of sales and administrative expenses 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 ended 31 August 2017 and subsequent difficulties in obtaining supporting evidence for the transaction that took place during the year ended 31 August 2017. 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 opinion on the financial statements for the year ended 31 August 2017 was modified accordingly.

Our opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

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 Financial Reporting Council's (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.

Independent Auditor's Report To The Members Of BPP International Limited (continued)

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.

Independent Auditor's Report To The Members Of BPP International Limited (continued)

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

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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has 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

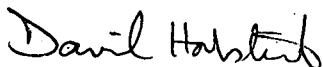
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

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.



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

Date: 18 December 2018

BPP International Limited**PROFIT AND LOSS ACCOUNT**

For year ended 31 August 2018

Company No. 03626135

		Year ended 31 August 2018 £	Year ended 31 August 2017 £
	Notes		
TURNOVER	3	25,873	56,773
Cost of sales		-	(87,699)
GROSS PROFIT/(LOSS)		25,873	(30,926)
Administrative expenses		(89,903)	(220,286)
OPERATING LOSS	4	(64,030)	(251,213)
Impairment of investment in subsidiary		-	(38,918)
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		(64,030)	(290,130)
Interest income	7	-	1
Interest expense	8	(13,567)	(12,692)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(77,597)	(302,821)
Tax credit on Loss on ordinary activities	9	17,636	141,561
LOSS FOR THE YEAR		(59,961)	(161,260)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(59,961)	(161,260)

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 £59,961 (2017: loss £161,260).

Notes on pages 11-19 form part of these financial statements.

BPP International Limited

BALANCE SHEET

as at 31 August 2018

Company No. 03626135

		2018 £	2017 £
	Notes		
FIXED ASSETS			
Investments	10	259,511	259,411
		<u>259,511</u>	<u>259,411</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	11	1,688,771	2,061,162
		<u>1,688,773</u>	<u>2,061,162</u>
CREDITORS: amounts falling due within one year	13	(1,404,883)	(1,454,718)
Bank overdraft		(1,602,248)	(1,867,657)
NET CURRENT LIABILITIES		<u>(1,318,360)</u>	<u>(1,261,213)</u>
Debtors: amounts falling due after more than one year	11	6,153	9,067
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,052,696)</u>	<u>(992,735)</u>
CAPITAL AND RESERVES			
Called up share capital	14	77,000	77,000
Share premium account		24,995	24,995
Profit and loss account		(1,154,691)	(1,094,730)
SHAREHOLDERS' DEFICIT		<u>(1,052,696)</u>	<u>(992,735)</u>

Notes on pages 11-19 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: 18/12/2018

BPP International Limited

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 August 2018

Company No. 03626135

	Share capital	Share premium	Profit and loss account	Shareholders' deficit
	£	£	£	£
At 1 September 2016	77,000	24,995	(931,943)	(829,948)
Loss and total comprehensive loss for the year ended 31 August 2017	-	-	(161,260)	(161,260)
Exchange differences	-	-	(1,527)	(1,527)
At 31 August 2017	77,000	24,995	(1,094,730)	(992,735)
Loss and total comprehensive loss for the year ended 31 August 2018	-	-	(59,961)	(59,961)
At 31 August 2018	77,000	24,995	(1,154,691)	(1,052,696)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2018

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 2018.

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.

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.

Financial assets and liabilities

Financial assets and liabilities are recognised when the Company enters into a contractual agreement. They are recognised at transaction cost and presented as debtors or creditors in the financial statements.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

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

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 in 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 2020. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 August 2018

1. ACCOUNTING POLICIES (CONTINUED)

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 Socrates Global Parent Limited, a Company incorporated in Great Britain with a registered office of Eversheds House, 70 Great Bridgewater Street, Manchester, United Kingdom, M1 5ES. Copies of the group financial statements of Socrates Global Parent Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 August 2018

1. ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

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.

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 is attributable to a branch of the Company which has now closed. The Company does not expect any turnover going forward.

4. OPERATING LOSS

This is stated after charging:

	Year ended 31 August 2018	Year ended 31 August 2017
	£	£
Operating lease rentals	19,173	18,698
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	14	7
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 August 2018

5. STAFF COSTS

	Year ended 31 August 2018	Year ended 31 August 2017
	£	£
Wages and salaries	149,768	156,779
Social security costs	4,214	11,690
Other pension costs	14,731	13,755
	<u>168,713</u>	<u>182,224</u>

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

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

6. DIRECTORS' EMOLUMENTS

	Year ended 31 August 2018	Year ended 31 August 2017
	£	£
Emoluments	147	-
Company contribution to pension schemes	6	-
	<u>153</u>	<u>-</u>

The amounts in respect of the highest paid director are as follows:

Emoluments	67	-
Company contribution to pension scheme	3	-
	<u>70</u>	<u>-</u>

The directors' emoluments are allocated to the relevant entities based on qualifying services. The amount remunerated to directors of the Company by its parent, BPP Holdings Limited or its fellow subsidiary, BPP University Limited, was £830,966 (2017: £1,578,000). 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 August 2018

7. INTEREST INCOME

	Year ended 31 August 2018	Year ended 31 August 2017
	£	£
Interest on intercompany balances	-	1
	<u>-</u>	<u>1</u>
	<u><u>-</u></u>	<u><u>1</u></u>

8. INTEREST EXPENSE

	Year ended 31 August 2018	Year ended 31 August 2017
	£	£
Interest on intercompany balances	13,567	12,692
	<u>13,567</u>	<u>12,692</u>
	<u><u>13,567</u></u>	<u><u>12,692</u></u>

9. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	Year ended 31 August 2018	Year ended 31 August 2017
	£	£
<i>(a) Analysis of credit in the year</i>		
<i>Current tax</i>		
UK corporation tax	-	-
Tax overprovided in prior years	-	(100,271)
Group relief receivable	(20,550)	(38,839)
Total current tax	<u>(20,550)</u>	<u>(139,110)</u>
<i>Deferred tax</i>		
Origination and reversal of timing difference - current year	3,166	(2,714)
Origination and reversal of timing difference - prior year	-	(510)
Decrease in tax rate	(252)	773
Total deferred tax (note 12)	<u>2,914</u>	<u>(2,451)</u>
Tax credit on loss on ordinary activities	<u><u>(17,636)</u></u>	<u><u>(141,561)</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 August 2018

9. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)
b) *Factors affecting total tax for the year*

	Year ended 31 August 2018	Year ended 31 August 2017
	£	£
Loss on ordinary activities before tax	(77,597)	(302,820)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017:19.58%)	(14,743)	(59,292)
<i>Effects of:</i>		
Non-taxable income / Expenses not deductible for tax purposes	(3,927)	12,638
Tax overprovided in prior years	-	(100,271)
Depreciation in excess of capital allowances	(2,011)	-
Loss on disposal of asset not allowable	-	3,133
Other timing differences	131	4,682
Deferred tax	2,914	(2,451)
Total tax credit for the year	(17,636)	(141,561)

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 2018 and 2019 and 18% from 1 April 2020.

During the year beginning 1 September 2018, the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge for the year by £2,391. This is due to a combination of fixed asset and short term timing differences. These will be carried forward indefinitely.

10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Cost

	£
At 1 September 2017	595,657
Investment in BPP South Africa	100
At 31 August 2018	595,757

Provision

	£
At 1 September 2017	336,246
At 31 August 2018	336,246

Net investment at 31 August 2018	259,511
Net investment at 31 August 2017	259,411

BPP International Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 August 2018

10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS (CONTINUED)

Subsidiary undertakings	Percentage owned	Registered office address	2018 £	2017 £
BPP International Investments Limited	100%	BPP House, 142-144 Uxbridge Road, England W12, 8AA	71,275	71,275
BPP Professional Education SP .z.o.o	100%	Chahubińskiego 8, 00-613 Warsaw, Poland	62,221	62,221
Business Training Romania SRL	100%	4 Vasile Milea Blvd. 2 nd Floor, District 6 Bucharest, Romania	-	-
BPP Enterprise Management (Shanghai)	100%	Regus, 7F, One ICC NO. 999 Middle Huaihai Road Shanghai Xuhui District 200031, China	129,092	125,915
BPP Colombia	100%	CL 98 NO. 18 71 P 2, Bogota, Colombia	0	0
BPP South Africa	100%	47 Lakefield Avenue Lakefield, Benoni 1501 South Africa	100	-
			<u>262,688</u>	<u>259,411</u>

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

BPP Colombia was fully impaired in 2017.

All ordinary shares carry equal voting rights.

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

11. DEBTORS:

A) Amounts falling due within one year

	2018 £	2017 £
Trade debtors	10,985	-
Amounts owed by fellow subsidiary undertakings	1,281,626	1,684,847
Amounts owed by parent undertaking	-	3,871
Other debtors	12,385	10,881
Inter-company in respect of Group tax relief	379,700	356,355
Prepayments	325	1,458
Accrued income	3,750	3,750
	<u>1,688,771</u>	<u>2,061,162</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 August 2018

11. DEBTORS (CONTINUED):

B) Amounts falling due after one year

	2018	2017
	£	£
Deferred tax (note 12)	6,153	9,067
	<u>6,153</u>	<u>9,067</u>

12. DEFERRED TAX ASSET

	2018	2017
	£	£
At 1 September	9,067	6,616
Profit and loss account (note 9)	(2,914)	2,451
At 31 August	<u>6,153</u>	<u>9,067</u>

The deferred tax consists of:

	2018	2017
	£	£
Decelerated Capital allowance	6,153	9,067
	<u>6,153</u>	<u>9,067</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	8,005	5,805
Amounts owed by parent undertaking	67,339	53,901
Amounts owed to fellow subsidiary undertakings	1,274,367	1,344,287
Other creditors	23,400	23,400
Taxation and social security	9,855	7,228
Accruals	21,917	20,097
	<u>1,404,883</u>	<u>1,454,718</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 August 2018

14. SHARE CAPITAL AND SHARE PREMIUM

A) SHARE CAPITAL	2018	2017
	£	£
Allotted, called up and fully paid:		
77,000 ordinary shares of £1 each		
At 1 September	77,000	77,000
At 31 August	77,000	77,000
B) SHARE PREMIUM	2018	2017
	£	£
At 1 September 2017 and 31 August 2018	24,995	24,995

The nominal value of the shares issued in Columbia were less than £1.

15. CAPITAL COMMITMENTS

There were no capital commitments at 31 August 2018 (2017: £nil).

16. 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.

17. PARENT UNDERTAKING AND CONTROLLING PARTY

In the opinion of the directors, the Company's ultimate parent Apollo Management, LLC., a Company incorporated in United States. The parent undertaking of the largest group, which includes the Company and for which group accounts are prepared, is Socrates Global Parent Limited, a Company incorporated in Great Britain with a registered office of Eversheds House, 70 Great Bridgewater Street, Manchester, United Kingdom, M1 5ES. Copies of the group financial statements of Socrates Global Parent Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. The Company's immediate controlling party is BPP Holdings Limited.