

AMENDED ACCOUNTS

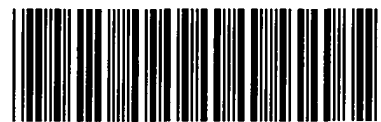
Registration number 05181165

ETHAMES GRADUATE SCHOOL LIMITED

Directors' report and financial statements

for the year ended 31 July 2012

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ETHAMES GRADUATE SCHOOL LIMITED

Company information

Directors	Praveen Kumar Pula Susan Hindley Mrs Ratna Rakhi Pula
Secretary	Praveen Kumar Pula
Company number	05181165
Registered office	197 Marsh Wall City of London E14 9SG
Auditors	Optima Audit Ltd 32 Threadneedle Street London EC2R 8AY

ETHAMES GRADUATE SCHOOL LIMITED

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ETHAMES GRADUATE SCHOOL LIMITED

Directors' report for the year ended 31 July 2012

The directors present their report and the financial statements for the year ended 31 July 2012.

Principal activity and review of the business

The principal activity of the company continues to be that of higher education and training.

Directors

The directors who served during the year are as stated below:

Praveen Kumar Pula
Susan Hindley
Mrs Ratna Rakhi Pula

Review of the Business

The directors are pleased with the increased turnover. The turnover for the year was £11,941,651(2010-£8,449,382). The company was able to achieve a high turnover due to the high quality education provided by the company, aggressive marketing carried out and examination services provided by its channel partners. The University of Sunderland, after seeing the excellent facilities and the quality of education, has entered into an agreement to take over the company's Marsh Wall Campus as their London Campus with effect from 19th March 2012. This will potentially reduce the turnover in future but the company will be able to sustain its business under the rapid changes in the Government immigration policy in the UK, as our core business is providing higher education to overseas students.

Statement of directors' responsibilities

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 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 apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ETHAMES GRADUATE SCHOOL LIMITED

**Directors' report
for the year ended 31 July 2012**

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.


Statement as to disclosure of information to Auditors

So far as the directors are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Optima Audit Ltd. are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

This report was approved by the Board on 31 May 2013 and signed on its behalf by


Mrs Ratna Rakhi Pula
Director

**Independent auditor's report to the shareholders of
ETHAMES GRADUATE SCHOOL LIMITED**

.....continued

We have audited the financial statements of ETHAMES GRADUATE SCHOOL LIMITED for the year ended 31 July 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds 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).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

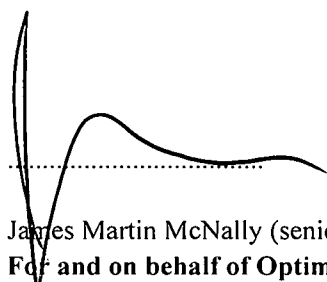
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Independent auditor's report to the shareholders of
ETHAMES GRADUATE SCHOOL LIMITED**

.....continued

- 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.

A handwritten signature in black ink, appearing to read 'James Martin McNally', is written over a horizontal dotted line.

James Martin McNally (senior statutory auditor)
For and on behalf of Optima Audit Ltd
Chartered Accountants and
Statutory Auditor
31 July 2013

32 Threadneedle Street
London
EC2R 8AY

ETHAMES GRADUATE SCHOOL LIMITED

Profit and loss account for the year ended 31 July 2012

		Continuing operations	
		2012	2011
	Notes	£	£
Turnover	2	8,772,545	11,941,617
Cost of sales		(2,579,266)	(4,723,598)
Gross profit		<u>6,193,279</u>	<u>7,218,019</u>
Administrative expenses		(4,881,000)	(6,136,262)
Other operating income		48,800	22,000
Operating profit	3	<u>1,361,079</u>	<u>1,103,757</u>
Other interest receivable and similar income	5	<u>3,356</u>	<u>11,177</u>
Profit on ordinary activities before taxation		1,364,435	1,114,934
Tax on profit on ordinary activities	7	(348,991)	(303,243)
Profit for the year		<u><u>1,015,444</u></u>	<u><u>811,691</u></u>

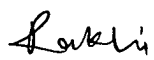
There are no recognised gains or losses other than the profit or loss for the above two financial years.

ETHAMES GRADUATE SCHOOL LIMITED

Balance sheet as at 31 July 2012

	Notes	2012		2011	
		£	£	£	£
Fixed assets					
Tangible assets	8		2,266,228		2,583,552
Current assets					
Debtors	9	2,989,536		7,007,100	
Cash at bank and in hand		1,891,157		1,079,536	
		<u>4,880,693</u>		<u>8,086,636</u>	
Creditors: amounts falling due within one year	10	<u>(5,515,352)</u>		<u>(9,815,938)</u>	
Net current liabilities			<u>(634,659)</u>		<u>(1,729,302)</u>
Total assets less current liabilities			1,631,569		854,250
Provisions for liabilities	11		<u>(144,040)</u>		<u>(143,683)</u>
Net assets			<u>1,487,529</u>		<u>710,567</u>
Capital and reserves					
Called up share capital	13		10,000		10,000
Profit and loss account			<u>1,477,529</u>		<u>700,567</u>
Shareholders' funds	14		<u>1,487,529</u>		<u>710,567</u>

The financial statements were approved by the Board on 31 May 2013 and signed on its behalf by



Mrs Ratna Rakhi Pula
Director

Registration number 05181165

ETHAMES GRADUATE SCHOOL LIMITED

Cash flow statement for the year ended 31 July 2012

	Notes	2012 £	2011 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		1,361,079	1,103,757
Depreciation		348,390	370,061
Decrease in debtors		4,001,880	4,219,545
(Decrease) in creditors		(4,391,748)	(6,071,738)
Net cash inflow from operating activities		<u>1,319,601</u>	<u>(378,375)</u>
Cash flow statement			
Net cash inflow from operating activities		1,319,600	(378,375)
Returns on investments and servicing of finance	15	3,356	11,177
Taxation	15	(230,737)	(324,034)
Capital expenditure	15	(31,066)	(434,431)
		<u>1,061,153</u>	<u>(1,125,663)</u>
Equity dividends paid		(238,482)	(234,000)
Increase in cash in the year		<u>822,671</u>	<u>(1,359,663)</u>
Reconciliation of net cash flow to movement in net funds (Note 16)			
Increase in cash in the year		822,671	(1,359,663)
Net funds at 1 August 2011		1,068,486	2,428,149
Net funds at 31 July 2012		<u>1,891,157</u>	<u>1,068,486</u>

ETHAMES GRADUATE SCHOOL LIMITED

Notes to the financial statements for the year ended 31 July 2012

..... continued

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

1.2. Turnover

Turnover represents total fees receivable, net of value added tax. Income is recognised evenly over the duration of each course which can be up to three years. Fees invoiced in respect of future accounting periods are included in deferred income.

1.3. Tangible fixed assets and depreciation

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

Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	20% reducing balance
Fixtures, fittings and equipment	-	10% straight line basis
Motor vehicles	-	25% reducing balance

1.4. Financial Instruments

Financial Instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, finance liabilities or equity instruments. An equity instrument is any contract that evidence a residual interest in the assets of the company after deducting all of its liabilities

1.5 Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

1.6 Deferred Taxation

Deferred Tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

	2012	2011
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	348,390	370,061
Auditors' remuneration (Note 4)	5,400	5,400

ETHAMES GRADUATE SCHOOL LIMITED

Notes to the financial statements for the year ended 31 July 2012

4. Auditors' remuneration

	2012	2011
	£	£
Auditors' remuneration - audit of the financial statements	5,400	5,400

5. Interest receivable and similar income

	2012	2011
	£	£
Bank interest	3,356	11,177

6. Employees

Number of employees	2012	2011
The average monthly numbers of employees (including the directors) during the year were:	Number	Number
	107	184

Employment costs	2012	2011
	£	£
Wages and salaries	929,035	1,353,689
Social security costs	73,550	101,107
	1,002,585	1,454,796

6.1. Directors' remuneration

	2012	2011
	£	£
Remuneration and other emoluments	70,833	73,746

ETHAMES GRADUATE SCHOOL LIMITED

Notes to the financial statements for the year ended 31 July 2012

..... continued

7. Tax on profit on ordinary activities

Analysis of charge in period	2012 £	2011 £
Current tax		
UK corporation tax	348,182	245,970
Adjustments in respect of previous periods	452	-
	<u>348,634</u>	<u>245,970</u>
Total current tax charge	<u>348,634</u>	<u>245,970</u>
Deferred tax		
Timing differences, origination and reversal	357	57,273
Total deferred tax	<u>357</u>	<u>57,273</u>
Tax on profit on ordinary activities	<u>348,991</u>	<u>303,243</u>

8. Tangible fixed assets	Short leasehold property £	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost						
At 1 August 2011	2,423,937	109,384	826,012	12,804	30,000	3,402,137
Additions	24,617	-	-	-	6,449	31,066
At 31 July 2012	<u>2,448,554</u>	<u>109,384</u>	<u>826,012</u>	<u>12,804</u>	<u>36,449</u>	<u>3,433,203</u>
Depreciation						
At 1 August 2011	456,218	-	333,604	11,420	17,344	818,585
Charge for the year	244,855	-	98,482	277	4,776	348,390
At 31 July 2012	<u>701,072</u>	<u>-</u>	<u>432,086</u>	<u>11,697</u>	<u>22,120</u>	<u>1,166,975</u>
Net book values						
At 31 July 2012	<u>1,747,481</u>	<u>109,384</u>	<u>393,926</u>	<u>1,107</u>	<u>14,329</u>	<u>2,266,227</u>
At 31 July 2011	<u>1,967,719</u>	<u>109,384</u>	<u>492,408</u>	<u>1,384</u>	<u>12,656</u>	<u>2,583,552</u>

ETHAMES GRADUATE SCHOOL LIMITED

Notes to the financial statements for the year ended 31 July 2012

..... continued

9. Debtors	2012	2011
	£	£
Trade debtors	1,148,676	3,925,904
Deferred Expenditure (Note 18.1)	1,166,667	1,666,667
Other debtors	367,598	644,055
Prepayments and accrued income	306,595	770,474
	<u>2,989,536</u>	<u>7,007,100</u>
10. Creditors: amounts falling due within one year	2012	2011
	£	£
Bank overdraft	-	11,050
Trade creditors	7,690	6,922
Corporation tax	348,182	245,970
Other taxes and social security costs	17,292	17,852
Directors' accounts	79	15,991
Other creditors	8,737	14,987
Accruals and deferred income	5,133,372	9,503,166
	<u>5,515,352</u>	<u>9,815,938</u>
11. Provisions for liabilities		
Deferred taxation (Note 12)	£	
At 1 August 2011	143,683	
Movements in the year	357	
At 31 July 2012	<u>144,040</u>	
12. Provision for deferred taxation	2012	2011
	£	£
Deferred tax charge in profit and loss account	357	57,273
Provision at 31 July 2012	<u>357</u>	<u>57,273</u>

ETHAMES GRADUATE SCHOOL LIMITED

Notes to the financial statements for the year ended 31 July 2012

..... continued

13. Share capital	2012	2011
	£	£
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000
Equity Shares		
10,000 Ordinary shares of £1 each	10,000	10,000
14. Reconciliation of movements in shareholders' funds	2012	2011
	£	£
Profit for the year	1,015,444	811,691
Dividends	(238,482)	(234,000)
	776,962	577,691
Opening shareholders' funds	710,567	132,876
Closing shareholders' funds	1,487,529	710,567
15. Gross cash flows	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	3,356	11,177
Taxation		
Corporation tax paid	(246,000)	(350,000)
Corporation tax repaid	15,263	25,966
	(230,737)	(324,034)
Capital expenditure		
Payments to acquire tangible assets	(31,066)	(434,431)

ETHAMES GRADUATE SCHOOL LIMITED

Notes to the financial statements for the year ended 31 July 2012

..... continued

16. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	1,079,536	811,621	1,891,157
Overdrafts	(11,050)	11,050	-
	<u>1,068,486</u>	<u>822,671</u>	<u>1,891,157</u>
Net funds	<u>1,068,486</u>	<u>822,671</u>	<u>1,891,157</u>

17. Contingent liabilities

The company are currently undergoing an enquiry in to 2010 accounts. At this time, it's not possible to predict the potential financial impact on the Company of an adverse decision

18. Related party transactions

18.1 Control

The company was under control of directors Mr Praveen Kumar Pula & Mrs Saripalli Prasada Ratna Rakhi throughout the current and previous year. They are the only share holders of the company and own 50% each, of the issued share capital.

Transactions with related parties

The company has sought services in respect of advertising and promotional, screening and vetting the students and IT support services, from the following companies in which Mr Praveen Kumar Pula & Mrs Saripalli Prasada Ratna Rakhi have controlling interest. These services were on an arms length basis. The balance owed to the company as at 31 July 2011-£1,666,667 (2010-£1,766,667) and £30,098 (2010-nil) are shown under deferred expenditure and other debtors respectively, refer note 9.

	Balance as at 1 August 2011	Services for the year	Payments	Balance as at 31 July 2011
Indo Thames Developers	1,666,667		(500,000)	1,166,667
PTV Ltd.		555,794	(555,794)	
Ethames Technologies Pvt Ltd		17,000	(17,000)	
Ethames Advertising Pvt Ltd		66,148	(66,148)	
Networth Consultants Pvt Ltd		21,779	(21,779)	
Ethames Executive Training Ltd	30,098			30,098

ETHAMES GRADUATE SCHOOL LIMITED

Notes to the financial statements for the year ended 31 July 2012

..... continued

18.2 During the year Susan Hindley, a director of the company, was advanced with a loan of £18,500 and the balance as at 31st July 2012 was £ 7,500, shown under the Other Debtors. Interest is payable on this loan at an agreed rate.

19) Operating Lease

The Company has entered into Commercial Property leases for two campuses for a period of 10 years in the previous year end and the commitments are as follows,

	2012	2011
Within next 12 months	-	
1-2 years		1,160,892
2-5 years	1,741,338	-
Above 5 years	1,741,338	-

20) Debenture

The Company's Banker hold a Debenture over all the assets of the Company.

ETHAMES GRADUATE SCHOOL LIMITED

Notes to the financial statements for the year ended 31 July 2012

..... continued

The following pages do not form part of the statutory accounts.

Sales

Fees receivable	8,080,575	11,941,617
Other Income	691,970	-
	<u>8,772,545</u>	<u>11,941,617</u>

Cost of sales

University Tuition Fees	1,487,197	1,846,459
Screening and Vetting services	1,090,618	2,847,587
Books	1,451	29,552
	<u>(2,579,266)</u>	<u>(4,723,598)</u>

Gross profit	71% <u>6,193,279</u>	60% <u>7,218,019</u>
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Administrative expenses

Wages and salaries	858,202	1,279,943
Directors' remuneration	70,833	73,746
Employer's NI contributions	73,550	101,107
Training	4,663	20,945
Rent & Rates	1,068,739	1,282,537
Insurance	32,867	38,725
Computer Software & Consumables	107,517	268,797
Light and heat	85,572	133,490
Courier charges	8,901	5,899
Repairs and maintenance	254,366	192,404
Consultancy Fees	435,770	292,602
Printing, postage and stationery	21,918	38,579
Advertising & Marketing	1,227,404	1,535,682
Telephone	51,162	75,104
Accreditation Fees	6,654	60,910
Hire of equipment	8,832	8,257
Motor expenses	7,571	7,841
Travelling	47,342	170,538
Entertaining	16,877	1,771
Legal and professional	63,191	45,358
Accountancy	13,540	13,930
Audit	5,400	5,400
Bank charges	24,464	21,417
Bad debts	-	32,390
Subsistence	15,220	21,294
General expenses	3,620	20,638

ETHAMES GRADUATE SCHOOL LIMITED

Notes to the financial statements for the year ended 31 July 2012

..... continued

Subscriptions	11,821		10,283	
Write Off Lease Charges	6,614		6,614	
Depreciation Fixtures & Fittings	244,855		242,394	
Depreciation on Library books	277		346	
Depreciation on Office Equipment	98,482		123,102	
Depreciation on motor vehicles	4,776		4,219	
	<u> </u>	4,881,000	<u> </u>	6,136,262
		1,312,279		1,081,757
Other operating income				
Rent receivable	48,800		22,000	
	<u> </u>	48,800	<u> </u>	22,000
Operating profit	16%	1,361,079	9%	1,103,757
Other income and expenses				
Interest receivable				
Bank deposit interest	3,356		11,177	
	<u> </u>	3,356	<u> </u>	11,177
Net profit for the year		<u>1,364,435</u>		<u>1,114,934</u>