

EDU UK BidCo Limited

Company Registration

No. 07285370

Directors Report and Financial Statements

31 December 2013

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EDU UK BidCo Limited

Directors' report and financial statements 31 December 2013

Officers and professional advisers

Directors

A Petersen

P Wilde

H Mackay-Cruise – resigned 19 February 2013

D Leigh – appointed 1 March 2013

P Corso – resigned 31 May 2013

E Lancaster – appointed 15 July 2013

D Rammal – appointed 3 June 2013

Company secretary

Baker and McKenzie

Registered office

Brighton Study Centre

1 Billinton Way

Brighton

East Sussex

BN1 4LF

Independent auditors

PricewaterhouseCoopers LLP

The Portland Building

25 High Street

Crawley

RH10 1BG

Company registered number

Registered in England No. 07285370

EDU UK BidCo Limited

Directors' report For the year ended 31 December 2013

The directors present their annual report and the audited financial statements for year ended 31 December 2013.

Principal activities

The Company is a subsidiary of EDU UK Topco Limited, which is the parent company of the Group.

The principal activity of the company is as a holding company and holder of related party financing. 2013 has been a pivotal year for the Group with the successful completion of the relocation of Head Office from Sydney to London. On 18 September 2013, through its subsidiary EDU UK BondCo PLC, the Group issued principal amounts of £205.0 million in 8.875% senior secured notes due on 15 September 2018 ('the bond issue'). The notes are listed on the Luxembourg Stock Exchange and were admitted to trading on 18 September 2013. Study Group used the proceeds from the bond issue to repay existing bank debt of £119.8 million and to repay £74.5 million of shareholder loan notes. The remaining proceeds were used to settle transaction and issuance costs. In connection with the issue, Study Group obtained a £30.0 million revolving credit facility ('RCF') from a consortium of banks. The relocation of Head Office and the issue of the senior secured loan notes have led to higher costs for EDU UK Bidco Limited in 2013 than in previous years.

Results

The loss for the financial year was £15,211,590 (2012 profit: £546,185).

Future developments

The company will continue to operate as a management company.

Key business risks

The key risk to the business is the ability of its trading subsidiaries to generate sufficient cash to support the carrying value of the investment carried. The risks to the subsidiaries are primarily global risks that present a danger to the world's economy and especially to the willingness and ability of international students to travel to their centres to study, together with regulatory changes that may impede the ability of international students to study abroad.

Financial risk management objectives and policies

The main financial risks arising from the company's activities are credit risk and liquidity risk. The company does not have exposure to price risk on commodities.

Credit risk

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the company. This risk within the group is mitigated by agents and students paying tuition fees prior to course commencement.

The company's principal financial assets are its investment in subsidiaries and related party receivables from its subsidiaries. The recoverability of these investments and receivables is ultimately dependant on the performance of the subsidiaries.

Liquidity risk

The company is not exposed to liquidity risk however the wider Group is. Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The group actively monitors compliance with its covenants relating to the revolving credit facility.

Interest rate risk

The company is not exposed to interest rate risk. However the wider Group's primary exposure to market interest rates relates to the Group's long-term borrowing obligations with floating interest rates. During the year this risk

EDU UK BidCo Limited

Directors' report

For the year ended 31 December 2013

was managed primarily through the use of interest rate swap contracts which effectively fixed interest on 75% of the initial loan balance. These have all been closed out by the end of the year.

Foreign currency risk

The company is not exposed to foreign currency risk. However the wider Group undertakes transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The Group is mainly exposed to Australian dollars and US dollars. The risk is mitigated by revenues being billed in the currency where the services/operating costs are delivered/incurred. During the year, the group did not actively hedge foreign currency exposure but it continues to monitor whether a hedging strategy would be beneficial.

Dividends

During the year no dividend was approved or paid (2012: £nil).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

A Petersen

P Wilde

H Mackay-Cruise – resigned 19 February 2013

D Leigh – appointed 1 March 2013

P Corso – resigned 31 May 2013

E Lancaster – appointed 15 July 2013

D Rammal – appointed 3 June 2013

Directors' indemnity provision

The Company maintains liability insurance for its directors and officers. The Company has also provided an indemnity for its directors, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This indemnity has been in place throughout the financial year and is in place as at the date of this report.

Independent auditors and statement of provision of information to the independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors of the company and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Each of the persons who are a director at the date of approval of this report confirms that:

- (1) So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) The director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

EDU UK BidCo Limited

Directors' report

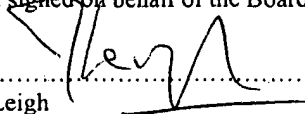
For the year ended 31 December 2013

- make judgement's and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006 and the Company is therefore exempt from the requirement to prepare a strategic report.

Approved by the Board of Directors
and signed on behalf of the Board


.....
D Leigh

Director 6 May 2014

EDU UK BidCo Limited

Independent Auditors' Report to the members of EDU UK Bidco Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by EDU UK BidCo Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

EDU UK BidCo Limited

Independent Auditors' Report to the members of EDU UK Bidco Limited

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Alan Kinnear (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Crawley

6 May 2014

EDU UK BidCo Limited

Profit and loss account

For the year ended 31 December 2013

	Note	2013 £	2012 Re- presented* £
Turnover		1,469,894	997,702
Administrative expenses*		(3,298,602)	(2,429,406)
Operating loss	3	(1,828,708)	(1,431,704)
Interest receivable and similar income	4	2,028,034	6,573,034
Interest payable and similar charges*	5	(25,601,540)	(5,751,020)
Income from shares in group undertakings	7	4,500,000	-
Loss on ordinary activities before taxation		(20,902,214)	(609,690)
Tax on loss	6	5,690,624	1,155,875
(Loss) / Profit for the financial year	16	(15,211,590)	546,185

All the results derive from continuing operations.

There are no further recognised gains and losses for the current financial year or previous year other than as stated in the profit and loss account and as a result no statement of total recognised gains and losses is given.

There is no material difference between the loss on ordinary activities before taxation and the (loss) / profit for the financial year stated above and their historical cost equivalents.

* The comparative figures have been reclassified as detailed in note 5

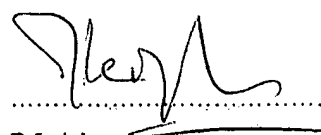
EDU UK BidCo Limited

Balance Sheet

As at 31 December 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Investments	8	334,609,931	292,155,974
CURRENT ASSETS			
Debtors (amounts falling due after more than one year £49,607,686 (2012: £59,444,686))	9	87,775,524	65,625,301
Cash at bank and in hand		49,657	54,793
		<u>87,825,181</u>	<u>65,680,094</u>
Creditors: amounts falling due within one year	11	(5,181,082)	(2,087,953)
NET CURRENT ASSETS		<u>82,644,099</u>	<u>63,592,141</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>417,254,030</u>	<u>355,748,115</u>
Creditors: amounts falling due after more than one year	12	(232,550,855)	(81,333,350)
NET ASSETS		<u>184,703,175</u>	<u>274,414,765</u>
CAPITAL AND RESERVES			
Called up share capital	13	1	1
Subordinated preference certificates	14	222,271,654	273,781,657
Profit and loss account	15	(37,568,480)	633,107
TOTAL SHAREHOLDERS' FUNDS	16	<u>184,703,175</u>	<u>274,414,765</u>

These financial statements of EDU UK BidCo Limited, Company Registration Number 07285370, on pages 7 to 16 were approved by the Board of Directors on May 2014 and signed on its behalf by:



D Leigh
Director

6 May 2014

EDU UK BidCo Limited
Notes to financial statements
For the year ended 31 December 2013

1. Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Basis of preparation

A review of the Group's business activities and future developments are set out in the Directors' Report. In addition, the Directors' Report also includes reference to the Company's key business risks and its position on risk management including exposures to credit and liquidity risk. The directors believe that the Group is well placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Group financial statements

The financial statements contain information about EDU UK BidCo Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, EDU UK Topco Limited.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered).

Deferred tax is provided on 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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are temporary differences between profits and losses as computed for tax purposes and profits and losses as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Turnover

Turnover represents the value of management and marketing services invoiced to subsidiaries and fellow group companies, net of Value Added Tax. The company's activities consist of that of a management company and holder of financing in the United Kingdom.

Investments

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less any impairment. Assets that have an indefinite useful life are tested for impairment where there is a trigger event. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount, which is considered to be the higher of its value in use and fair value less costs to sell. In order to assess impairment, assets are grouped into the lowest levels for which there are separately identifiable cash flows.

EDU UK BidCo Limited
Notes to financial statements
For the year ended 31 December 2013

1. Accounting policies (continued)

Cashflow statement

The company is a wholly owned subsidiary company of a group headed by EDU UK TopCo Limited, and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption within FRS1 (revised 1996) 'Cash flow statements' from preparing a cash flow statement.

Interest Rate Swaps

During 2013 EDU UK Bidco Limited entered into interest rate swaps to manage interest rate risk. Interest rate swap gains and losses are recognised through finance income or finance costs in the profit and loss.

Borrowing Costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Profit and Loss account over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

2. Information regarding directors and employees

	2013 £	2012 £
Staff costs during the year:		
Wages and salaries	-	359,306
	<u> </u>	<u> </u>
	Number	Number
The average monthly number of employees during the year was as follows:		
Management	-	3
	<u> </u>	<u> </u>
	2013 £	2012 £
Directors' emoluments	188,267	199,307
	<u> </u>	<u> </u>
Highest paid director:		
Emoluments	188,267	199,307
	<u> </u>	<u> </u>

The directors of EDU UK Bidco Limited were not employees of the company during 2013. Director's emoluments are billed directly to the company.

EDU UK BidCo Limited
Notes to financial statements
For the year ended 31 December 2013

3. Operating loss

	2013 £	Re-presented 2012* £
Operating loss is stated after charging:		
Management Fees	636,494	508,435

Auditors' remuneration of £5,000 (2012: £5,000) has been borne by the company's subsidiary undertakings.

4. Interest receivable and similar income

	2013 £	2012 £
Interest income – on amounts due from group undertakings	2,027,810	6,573,034
Interest income - external	224	-
	<u>2,028,034</u>	<u>6,573,034</u>

5. Interest payable and similar charges

	2013 £	2012 Re-presented* £
Amortisation of finance costs	996,937	1,106,789
Write off old deferred borrowing costs	2,029,112	-
Re-finance fees	5,901,905	-
Interest payable to group companies	6,066,435	3,229,433
Interest rate swap	209,983	-
Unrealised foreign exchange losses *	10,397,168	1,414,798
	<u>25,601,540</u>	<u>5,751,020</u>

*The Profit and Loss account for the comparative period has been re-presented so as to record unrealised foreign exchange gains and losses related to funding loans within finance costs. Previously they had been included within administrative expenses. The impact on administrative expenses and therefore operating profit for the year ended 31 December 2012 is a reduction in administrative expenses of £1.4 million.

6. Tax credit on loss on ordinary activities

(a) Tax credit on loss on ordinary activities

	2013 £	2012 £
Current tax		
UK corporation tax on losses for the year	(5,992,256)	(1,078,996)
Adjustments in respect of previous years	(84,679)	(161,503)
Total current tax	<u>(6,076,935)</u>	<u>(1,240,499)</u>
Deferred tax		
Origination and reversal of timing differences	<u>386,311</u>	<u>84,624</u>
Total deferred tax (note 10)	<u>386,311</u>	<u>84,624</u>
Total tax on loss on ordinary activities	<u>(5,690,624)</u>	<u>(1,155,875)</u>

EDU UK BidCo Limited
Notes to financial statements
For the year ended 31 December 2013

6. Tax credit on loss on ordinary activities (continued)

(b) Factors affecting current tax charge for the year

The tax credit for the year is higher than the standard effective rate of corporation tax in the UK for the year ended 31 December 2013 of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £	2012 £
Loss on ordinary activities before tax	<u>(20,902,214)</u>	<u>(609,690)</u>
Benefit at corporation tax rate of 23.25% (2012: 24.5%)	(4,859,765)	(149,374)
Non-taxable income	(1,046,096)	(1,190,888)
Expenses not deductible for tax purposes	262,420	261,266
Adjustment for prior years	(84,679)	(161,503)
Timing differences	<u>(348,815)</u>	<u>-</u>
Total current tax credit	<u>(6,076,935)</u>	<u>(1,240,499)</u>

7. Dividends received

Income from shares in group undertakings:

	2013 £	2012 £
Dividends received	<u>4,500,000</u>	<u>-</u>
	<u>4,500,000</u>	<u>-</u>

During the year dividends of £4,500,000 were received from Study Group Holdings UK Limited.

8. Investments

	Investments in subsidiaries 2013 £
Cost	
At 1 January 2013	292,155,974
Additions	<u>42,453,957</u>
At 31 December 2013	<u>334,609,931</u>

Fixed asset investments additions related to an increase in equity investment in EDU Holdings SPV Limited of £42,196,755 and increase in Ordinary Shares in Study Group Global PTE Limited of £257,202.

EDU UK BidCo Limited
Notes to financial statements
For the year ended 31 December 2013

8. Investments (continued)

A summary of the company's direct investments at the balance sheet date is as follows:

Name of Entity	Country of Incorporation	Nature of Business	Ownership Interest	Ownership Interest
			2013	2012
			%	%
Study Group Holdings UK Limited	United Kingdom	Holding company	100	100
EDU Holdings SPV Pty Limited	Australia	Holding company	100	100
EDU US Holdco Inc.	USA	Holding company	100	100
Study Group Canada Limited	Canada	Non trading	100	100
Study Group Global PTE Limited	Singapore	Education	100	100

The directors believe that the carrying value of the investments is supported by their underlying assets.

9. Debtors

	2013	2012
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	30,055,652	4,623,300
Group relief on corporation tax receivable	7,351,531	1,078,996
Deferred tax asset	-	386,311
Other receivables	603,444	92,008
Other taxation	157,211	-
	<u>38,167,838</u>	<u>6,180,615</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>49,607,686</u>	<u>59,444,686</u>
Total debtors	<u><u>87,775,524</u></u>	<u><u>65,625,301</u></u>

Amounts owed by group undertakings due within one year are non-interest bearing and usually settled within 60 days.

The amounts owed by group undertakings due after more than one year are due from EDU Investments SPV PTY LTD, a subsidiary undertaking and earn interest at a fixed rate of 12.09%. Principal of A\$92,173,199 is receivable at maturity on 30 June 2019.

EDU UK BidCo Limited
Notes to financial statements
For the year ended 31 December 2013

10. Deferred Tax

The movement on the deferred tax asset is as shown below:

	2013 £	2012 £
Balance at the beginning of the year	386,311	470,935
Charge to profit and loss account	(386,311)	(84,624)
	<u>-</u>	<u>386,311</u>

The amount provided in the accounts is as follows:

Short term timing differences	-	386,311
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11. Creditors: amounts falling due within one year

	2013 £	2012 £
Taxation and social security costs	-	54,300
Accruals	500,275	129,919
Intragroup loans	4,680,807	1,903,734
	<u>5,181,082</u>	<u>2,087,953</u>

Amounts due to group undertakings are unsecured and repayable on demand. Interest is charged in line with intercompany agreements.

12. Creditors: amounts falling due after more than one year

On 18 September 2013, through its subsidiary EDU UK BondCo PLC, the Group issued principal amounts of £205.0 million in 8.875% senior secured notes due on 15 September 2018 ('the bond issue'). The notes are listed on the Luxembourg Stock Exchange and were admitted to trading on 18 September 2013. Study Group used the proceeds from the bond issue to repay existing bank debt of £119.8 million and to repay £74.5 million of shareholder loan notes. The remaining proceeds were used to settle issuance costs. In connection with the issue, Study Group obtained a £30.0 million revolving credit facility ('RCF') from a consortium of banks.

The company has interest bearing debt with its immediate parent company EDU UK Intermediate Ltd at a rate of 8.885%.

	2013 £	2012 £
Amounts owed to group:		
With immediate parent company	205,000,000	-
With subsidiary undertakings – interest bearing	27,550,855	81,333,350
	<u>232,550,855</u>	<u>81,333,350</u>

Amounts due to group undertakings are unsecured and repayable on demand. Interest is charged in line with intercompany agreements.

EDU UK BidCo Limited
Notes to financial statements
For the year ended 31 December 2013

13. Called up share capital

	2013 £	2012 £
Called up, allotted and fully paid:		
1 ordinary shares of £1 each	1	1

14. Equity instruments

	2013 £	2012 £
Called up, allotted and fully paid:		
6,828,511,309 (2012: 8,410,974,147) subordinated preference certificates	222,271,654	273,781,657

Subordinated preference certificates (SPCs) are redeemable at the option of the Company by applying the predetermined redemption price, which is £1 for each SPC. The SPCs are unsecured and rank behind all other obligations of the Company except they rank ahead of the ordinary shares in issue. These instruments have a redemption date of 1 July 2040; however the company can defer the redemption date indefinitely. During 2013 as part of the debt restructure £51,510,002 of SPC's were repaid along with £22,989,998 of interest.

15. Profit and loss account

	Profit and loss account 2013 £	Profit and loss account 2012 £
At 1 January	633,107	86,922
(Loss) / Profit for the year	(15,211,589)	546,185
Interest on repayment of subordinated preference certificates (note 14)	(22,989,998)	-
Balance at 31 December	(37,568,480)	633,107

During the year the company paid no dividends.

16. Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Opening shareholders' funds for the year	274,414,765	273,868,580
(Loss) / Profit for the year	(15,211,590)	546,185
Repayment of subordinated preference shares (note 14)	(51,510,002)	-
Interest on repayment of subordinated preference certificates (note 14)	(22,989,998)	-
Closing shareholders' funds	184,703,175	274,414,765

EDU UK BidCo Limited
Notes to financial statements
For the year ended 31 December 2013

17. Immediate parent company and ultimate controlling party

The immediate parent undertaking is EDU UK Intermediate Ltd.

The ultimate parent undertaking and controlling party is Providence Equity Partners VI International LP, a resident in the Cayman Islands.

Copies of the publicly available consolidated financial statements of EDU UK Topco Limited are available from 1 Billinton Way, Brighton, BN1 4LF, UK.

18. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by a parent company.

The parent company of the largest consolidated group is EDU UK TopCo Ltd, 1 Billinton Way, Brighton, BN1 4LF, UK and the parent company of the smallest consolidated group is EDU UK Intermediate Limited, 1 Billinton Way, Brighton, BN1 4LF.

19. Contingent liabilities

The company's assets have been pledged as security for borrowings undertaken by its fellow group company EDU Investments SPV Pty Limited. As at 31 December 2013, the borrowings of these companies amounted to £nil (2012: £128,736,000).