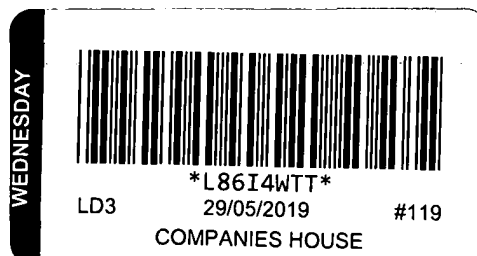


**Oxford Tutorial College Limited**  
**Financial Statements**  
**31 August 2018**



# **Oxford Tutorial College Limited**

## **Financial Statements**

**Year ended 31 August 2018**

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# **Oxford Tutorial College Limited**

## **Officers and Professional Advisers**

<b>The board of directors</b>	L Bremermann-Richard D Brown V Verma
<b>Registered office</b>	New Kings Court Tollgate Chandler's Ford Eastleigh Hampshire SO53 3LG
<b>Auditor</b>	KPMG LLP Chartered Accountants & Statutory Auditor 15 Canada Square London United Kingdom E14 5GL
<b>Company registration number</b>	02935409

# **Oxford Tutorial College Limited**

## **Directors' Report**

### **Year ended 31 August 2018**

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

#### **Directors**

The directors who served the company during the year were as follows:

D Brown	
V Verma	
M Stanton	(Appointed 12 February 2018 and Resigned 31 December 2018)
R Darell	(Resigned 5 April 2018)
L Bremermann-Richard	(Appointed 1 February 2019)

#### **Dividends**

The directors do not recommend the payment of a dividend (2017: nil).

#### **Principal activity**

The principle activity of the company during the year was the provision of educational courses to UK and International students.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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;
- make judgments and estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# **Oxford Tutorial College Limited**

## **Directors' Report** *(continued)*

**Year ended 31 August 2018**

### **Disclosure of information to the auditor**

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will continue in office.

### **Political donations**

The company made no political donations or incurred any political expenditure during the current or prior year.

### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 24-05-19 and signed on behalf of the board by:



V Verma  
Director

Registered office:  
New Kings Court Tollgate  
Chandler's Ford  
Eastleigh  
Hampshire  
SO53 3LG

# **Independent Auditor's Report to the Members of Oxford Tutorial College Limited**

**Year ended 31 August 2018**

## **Opinion**

We have audited the financial statements of Oxford Tutorial College Limited for the year ended 31 August 2018, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- 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 UK accounting standards applicable to smaller entities, including Section 1A of FRS 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.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the valuation of investment and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessment of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

## **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

**Independent Auditor's Report to the Members of Oxford Tutorial College  
Limited *(continued)***

**Year ended 31 August 2018**

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

**Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion that report have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required to report to you 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Independent Auditor's Report to the Members of Oxford Tutorial College  
Limited** *(continued)*

**Year ended 31 August 2018**

**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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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 Neale (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
15 Canada Square  
London  
United Kingdom  
E14 5GL

24 May 2019



**Oxford Tutorial College Limited**  
**Statement of Income and Retained Earnings**  
**Year ended 31 August 2018**

	Note	2018 £	2017 (restated)* £
<b>Turnover</b>	<b>4</b>	<b>4,942,973</b>	<b>4,692,591</b>
Cost of sales		<u>(2,880,855)</u>	<u>(2,863,147)</u>
<b>Gross profit</b>		<b>2,062,118</b>	<b>1,829,444</b>
Administrative expenses		<u>(4,426,987)</u>	<u>(2,264,850)</u>
Other operating income	<b>5</b>	<u>69,175</u>	<u>148,618</u>
<b>Operating loss</b>	<b>6</b>	<b>(2,295,694)</b>	<b>(286,788)</b>
<b>Loss before taxation</b>		<u>(2,295,694)</u>	<u>(286,788)</u>
Tax on loss	<b>10</b>	<u>(4,284)</u>	<u>5,558</u>
<b>Loss for the financial year and total comprehensive income</b>		<u><b>(2,299,978)</b></u>	<u><b>(281,230)</b></u>
<b>Retained losses at the start of the year</b>		<u><b>(426,652)</b></u>	<u><b>(145,422)</b></u>
<b>Retained losses at the end of the year</b>		<u><b>(2,726,630)</b></u>	<u><b>(426,652)</b></u>

All the activities of the company are from continuing operations.

\*Amounts in the year to 31 August 2017 were restated, refer to note 3.

The notes on pages 9 to 19 form part of these financial statements.

# Oxford Tutorial College Limited

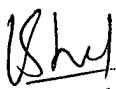
## Statement of Financial Position

31 August 2018

		2018	2017
	Note	£	£
<b>Fixed assets</b>			
Intangible assets	11	–	2,121,336
Tangible assets	12	250,370	250,928
Investments	13	1	1
		<u>250,371</u>	<u>2,372,265</u>
<b>Current assets</b>			
Debtors	14	2,600,923	637,818
Cash at bank and in hand		857,323	814,819
		<u>3,458,246</u>	<u>1,452,637</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(6,414,848)</u>	<u>(4,235,439)</u>
<b>Net current liabilities</b>		<u>(2,956,602)</u>	<u>(2,782,802)</u>
<b>Total assets less current liabilities</b>		<u>(2,706,231)</u>	<u>(410,537)</u>
<b>Provisions</b>			
Taxation including deferred tax	16	(20,397)	(16,113)
<b>Net liabilities</b>		<u>(2,726,628)</u>	<u>(426,650)</u>
<b>Capital and reserves</b>			
Called up share capital	19	2	2
Profit and loss account		(2,726,630)	(426,652)
<b>Shareholders' deficit</b>		<u>(2,726,628)</u>	<u>(426,650)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 24.05.19, and are signed on behalf of the board by:



V Verma  
Director

Company registration number: 02935409

The notes on pages 9 to 19 form part of these financial statements.

# **Oxford Tutorial College Limited**

## **Notes to the Financial Statements**

**Year ended 31 August 2018**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is New Kings Court Tollgate, Chandler's Ford, Eastleigh, Hampshire, SO53 3LG and the company number is 02935409.

### **2. Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014, including the provisions of FRS 102 Section 1A small entities. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied.

### **3. Accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity. All amounts in the financial statements have been rounded to the nearest £1.

#### **Going concern**

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future, being a period of at least 12 months from the signing of these financial statements.

The company meets its day to day working capital requirements from cash balances, together with loans and other trading balances from fellow subsidiaries of Oxford International Education 1 Limited (the ultimate parent entity). The company is cross guarantor for certain of the bank loans of the wider group.

The Directors have prepared base and sensitised forecasts for the 15 month period ending 31st August 2020, which indicate that the company will be capable of operating within the amounts currently made available to it by the group should they remain available at existing levels.

The parent company has indicated that such funds will remain available. On the basis, the directors believe it is appropriate for the financial statements to be prepared on a going concern basis.

# **Oxford Tutorial College Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 August 2018**

### **3. Accounting policies *(continued)***

#### **Disclosure exemptions**

The company's ultimate parent undertaking, Oxford International Education 1 Limited, includes the company in its consolidated financial statements. The consolidated financial statements of

Oxford International Education 1 Limited are prepared in accordance with FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) and are available to the public and may be obtained from: New Kings Road Tollgate, Chandler's Ford, Eastleigh, Hampshire, SO53 3LG. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

#### **Disclosure exemptions *(continued)***

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Significant judgements**

No significant judgements have been made in the process of applying the entity's accounting policies and have no significant effect on the amounts recognised in the financial statements.

##### **Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. There are no key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for educational courses and related services rendered, stated net of discounts and of Value Added Tax.

The company recognises revenue over the period it provides its courses and related services to its students.

#### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

# **Oxford Tutorial College Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 August 2018**

### **3. Accounting policies *(continued)***

#### **Income tax *(continued)***

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### **Operating leases**

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

#### **Goodwill**

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Goodwill arising on acquisitions and Purchased Goodwill has been capitalised under the heading of Intangible Fixed Assets. The directors are of the opinion that this has a useful economic life of 20 years. On transition to FRS 102, all goodwill and useful economic lives were reassessed and considered to be appropriate. Historic goodwill continues to be amortised over 20 years. The useful economic life of Goodwill is based up on the history of the business it relates to, life of leased assets held by the business, future cash flows of the business and market environment. The useful economic life of Goodwill is reviewed every year in line with FRS 102.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

#### **Amortisation**

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

Goodwill	-	Amortised through Profit and Loss over a period not exceeding 20 years
----------	---	------------------------------------------------------------------------

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

# **Oxford Tutorial College Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 August 2018**

### **3. Accounting policies *(continued)***

#### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation**

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

Leasehold Buildings	-	Over the life of the lease
Plant and Machinery	-	20% straight line
Office and Computer Equipment	-	20% straight line
Capitalised Software	-	20% straight line

#### **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

#### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

# Oxford Tutorial College Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 August 2018

### 3. Accounting policies *(continued)*

#### Defined contribution plans

The defined contribution plan is a past employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay for further amounts.

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### Financial instruments

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Investments in subsidiaries are carried at cost less impairment.

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

#### Prior year adjustment

During the year it was noted that the concessions balance (student scholarships and discounts) in the prior year was classified under cost of sales rather than as a deduction to revenue. As such, this has resulted in the following:

Revenue decreased by £227,929  
Cost of sales decreased by £227,929

	As originally stated £	Adjustment £	As restated £
Turnover	4,920,520	(227,929)	4,692,591
Cost of sales	(3,091,076)	227,929	(2,863,147)
Gross profit	1,829,444	-	1,829,444

**Oxford Tutorial College Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 August 2018**

**4. Turnover**

Turnover arises from:

	2018	2017 <i>(restated)*</i>
	£	£
Rendering of services	<u>4,942,973</u>	<u>4,692,591</u>

The whole of the turnover is attributable to the one principal activity of the company wholly undertaken in the United Kingdom.

\*See note 3 for more details.

**5. Other operating income**

	2018	2017
	£	£
Other operating income	<u>69,175</u>	<u>148,618</u>

**6. Operating loss**

Operating loss is stated after charging:

	2018	2017
	£	£
Amortisation of intangible assets	124,785	124,784
Depreciation of tangible assets	79,127	69,788
Impairment of intangible assets	1,996,552	–
Defined contribution plan expense	23,601	18,997
Operating lease expenditure	<u>261,640</u>	<u>251,931</u>

**7. Auditor's remuneration**

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>11,700</u>	<u>9,229</u>

**8. Staff costs**

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018 No.	2017 No.
Administrative staff	25	32
Teaching staff	<u>76</u>	<u>94</u>
	<u>101</u>	<u>126</u>



**Oxford Tutorial College Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 August 2018**

**8. Staff costs** *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018	2017
	£	£
Wages and salaries	2,541,030	2,498,991
Social security costs	203,788	184,297
Other pension costs	23,601	18,997
	<u>2,768,419</u>	<u>2,702,285</u>

**9. Directors' remuneration**

The directors are remunerated by LIPC Partnership Limited and Oxford International Education & Travel Limited. The directors have performed no substantial services for Oxford Tutorial College Limited and hence no remuneration is payable.

**10. Tax on loss**

**Major components of tax expense/(income)**

	2018	2017
	£	£
<b>Current tax:</b>		
UK current tax income	–	(3,364)
<b>Deferred tax:</b>		
Origination and reversal of timing differences	4,284	(2,194)
<b>Tax on loss</b>	<u>4,284</u>	<u>(5,558)</u>

**Reconciliation of tax expense/(income)**

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2017: 19.60%).

	2018	2017
	£	£
Loss on ordinary activities before taxation	(2,295,694)	(286,788)
Loss on ordinary activities by rate of tax	(56,837)	(56,210)
Effect of expenses not deductible for tax purposes	23,812	126
Effect of capital allowances and depreciation	(4,789)	23,279
Over provided in prior years	–	(3,364)
Group relief	36,444	21,913
Timing differences	4,284	(2,194)
Current year losses for which no deferred tax was recognised	1,370	10,892
<b>Tax on loss</b>	<u>4,284</u>	<u>(5,558)</u>

**Oxford Tutorial College Limited**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 August 2018**

**10. Tax on loss** *(continued)*

**Factors that may affect future tax expense**

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at balance sheet date has been calculated based on these rates.

**11. Intangible assets**

	<b>Goodwill</b> <b>£</b>
<b>Cost</b>	
<b>At 1 September 2017 and 31 August 2018</b>	<b>2,495,688</b>
<b>Amortisation</b>	
At 1 September 2017	374,352
Charge for the year	124,785
Impairment losses	1,996,552
<b>At 31 August 2018</b>	<b>2,495,688</b>
<b>Carrying amount</b>	
<b>At 31 August 2018</b>	<b>–</b>
At 31 August 2017	2,121,336

**12. Tangible assets**

	Leasehold Buildings £	Plant and machinery £	Office Equipment £	Capitalised Software £	Total £
<b>Cost</b>					
At 1 September 2017	477,977	401,436	284,053	13,770	1,177,236
Additions	13,216	41,308	20,843	3,202	78,569
<b>At 31 August 2018</b>	<b>491,193</b>	<b>442,744</b>	<b>304,896</b>	<b>16,972</b>	<b>1,255,805</b>
<b>Depreciation</b>					
At 1 September 2017	323,116	384,308	218,207	677	926,308
Charge for the year	22,173	11,253	40,254	5,447	79,127
<b>At 31 August 2018</b>	<b>345,289</b>	<b>395,561</b>	<b>258,461</b>	<b>6,124</b>	<b>1,005,435</b>
<b>Carrying amount</b>					
<b>At 31 August 2018</b>	<b>145,904</b>	<b>47,183</b>	<b>46,435</b>	<b>10,848</b>	<b>250,370</b>
At 31 August 2017	154,861	17,128	65,846	13,093	250,928

# Oxford Tutorial College Limited

## Notes to the Financial Statements *(continued)*

**Year ended 31 August 2018**

### 13. Investments

	Unlisted investments £
<b>Cost</b>	
At 1 September 2017 and 31 August 2018	<u>1</u>
<b>Impairment</b>	
At 1 September 2017 and 31 August 2018	<u>–</u>
<b>Carrying amount</b>	
At 31 August 2018	<u>1</u>
At 31 August 2017	<u>1</u>

The company has the following investments:

	Country of incorporation	Class of share	Percentage of shares held
<b>Unlisted investments</b>			
Oxford International Education Group Services Limited	United Kingdom	Ordinary	1

The registered address for the above subsidiary is New Kings Court Tollgate, Chandler's Ford, Eastleigh, Hampshire SO53 3LG.

### 14. Debtors

	2018	2017
	£	£
Trade debtors	2,390,347	312,120
Amounts owed by group undertakings	107,383	215,308
Prepayments and accrued income	90,629	79,353
Corporation tax repayable	–	3,364
Other debtors	12,564	27,673
	<u>2,600,923</u>	<u>637,818</u>

### 15. Creditors: amounts falling due within one year

	2018	2017
	£	£
Payments received on account	694,874	1,795,509
Trade creditors	943	54,158
Amounts owed to group undertakings	1,445,532	1,088,454
Accruals and deferred income	4,203,159	1,228,385
Social security and other taxes	53,122	48,381
Other creditors	17,218	20,552
	<u>6,414,848</u>	<u>4,235,439</u>

# Oxford Tutorial College Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 August 2018

### 16. Provisions

	Deferred tax (note 17) £
At 1 September 2017	16,113
Additions	<u>4,284</u>
<b>At 31 August 2018</b>	<b><u>20,397</u></b>

### 17. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018 £	2017 £
Included in provisions (note 16)	<u>20,397</u>	<u>16,113</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018 £	2017 £
Accelerated capital allowances	<u>20,397</u>	<u>16,113</u>

### 18. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £23,601 (2017: £18,997).

### 19. Called up share capital

#### Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

# Oxford Tutorial College Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 August 2018

### 20. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Not later than 1 year	817,714	672,880
Later than 1 year and not later than 5 years	2,741,160	1,492,535
Later than 5 years	871,242	803,123
	<u>4,430,116</u>	<u>2,968,538</u>

During the year £261,640 was recognised as an expense in the profit and loss account in respect of operating leases (2017: £251,931).

### 21. Guarantees

Oxford Tutorial College Limited has entered into a cross guarantee and debenture in favour of the company's bankers in respect of overdraft and loan facilities. Details of these loans are disclosed in the ultimate parent company's consolidated financial statements.

### 22. Related party transactions

The company has availed of the S33.1A exemption provided for subsidiary undertakings, 100% of whose voting rights are controlled within the group, from the requirement to give details for transactions with entities that are part of the group or investees of the group qualifying as related parties.

### 23. Parent company and ultimate controlling party

The directors regard Oxford International Education 1 Limited, a company incorporated in the United Kingdom, as the company's ultimate parent undertaking. The parent undertaking registered office is New Kings Court Tollgate, Chandler's Ford, Eastleigh, Hampshire SO53 3LG.

Oxford International Education 1 Limited is the largest undertaking of which Oxford Tutorial College Limited is a member.

The consolidated financial statements of this group are available to the public and may be obtained from Companies House.