

BPP Services Limited

**Annual Report and Financial Statements
For the year ended 31 August 2016**

Registered No. 06003756



BPP Services Limited

Registered No. 06003756

OFFICERS AND PROFESSIONAL ADVISORS

Directors

C Lygo (Resigned - 08/03/2017)
W Etchell (Resigned - 30/09/2016)
A C Barbe (Appointed - 30/09/2016)
T Stewart (Appointed - 08/03/2017)

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans
United Kingdom

Bankers

Barclays Bank PLC
27 Soho Square
London W1D 3QR

Solicitors

Eversheds LLP (Company No. OC304065)
One Wood Street
London
EC2V 7WS

Registered Office

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

Strategic Report

Results and dividends

The trading results for the year ended 31 August 2016, and the Company's financial position at the end of the year, are shown in the attached financial statements.

The profit and loss account for the year shows a loss after tax of £19,733,000 (2015: loss £2,883,000). The directors have not recommended a dividend (2015: £nil).

Principal activity

BPP Services Limited provides a centralised treasury and head office function for Companies in the BPP Group which is partly recharged to other Group Companies.

Financial review

Operating loss during the year ended 31 August 2016 was £234,000 (2015: profit £38,000). At the balance sheet date, the Company had net liabilities of £58,890,000 (2015: £39,157,000) mainly reflecting the cumulative losses to date.

Loss before tax during the year was £20,300,000 (2015: loss £3,179,000). The increase in the loss in the year is due to the impairment of its investments in its subsidiary companies of £16,558,000.

Analysis of key performance indicators

Cost control is the key measure of performance for this Company. Operating costs are therefore carefully monitored against budget and prior year costs.

Key risk and uncertainties

Due to the nature of the activities carried on by the Company, the risks are limited. If inflation levels increase, this will have a significant impact on the results for the Company as operating costs will be driven up. The Company is also exposed to changes in interest rates.

Business performance risk

The risk that its subsidiaries may not perform as expected either due to internal factors and competitive pressures in the markets in which it operates.

The key risks that Brexit represents to the Company are the risks posed to its subsidiaries that could impact their performance. These are principally exchange rate fluctuations caused by Brexit creating issues in trading with a number of overseas corporate buyers and international students.

The Company seeks to address these risks by a number of measures, including; ensuring the appropriate management team is in place, budget and business planning, monthly reporting and variance analysis, financial controls, key performance measures and regular forecasting.

Outlook

The nature of the Company's activities is to act as a central services company to the rest of the BPP Group, to recharge any central costs to the BPP Group and act as a central treasury function and record interest on loans with other BPP Group Companies. As such the Company is expected to continue to perform in line with previous years.

Strategic Report (continued)

Employment policies

The Company recognises that people are its greatest asset and employment policies are directed at creating a workplace that will attract, develop, motivate and reward employees of high calibre, taking into account the specific requirements of the business. Key features of Group employment policies and practices are:

Openness

The Company provides a high degree of openness and transparency on its activities and performance through information and communication with employees. An employee feedback questionnaire is collated annually from all employees and the results used to help develop policy and procedures.

Performance and merit

Employees agree personal objectives and performance is monitored by appraisals. A structured approach is adopted to promotions and external recruitment that recognises the capability of individuals and ensures the most suitable person is selected for positions. Employee salaries are benchmarked, where feasible, against market data for equivalent roles in other businesses.

Flexible working

The Company encourages family friendly working practices such as flexible working hours and recognises that experienced employees returning to work following maternity, paternity or other career breaks are an asset. The Company operates a salary sacrifice scheme that allows employees to exchange salary for additional holidays and childcare vouchers.

Equality of opportunity

Company policy is that no person receives more or less favourable treatment on the grounds of gender, age, race, colour, nationality, ethnic or national origin, marital status, part-time status, sexual orientation, home responsibility, disability and political or religious belief. The Human Resources function monitors and reports on compliance with the policy to develop practices and procedures that ensure equality of opportunity in the recruitment, selection and promotion of employees. Grievance and disciplinary procedures protect employees and students from discriminatory behaviour based on racist, sexist and other prejudiced attitudes. The Company recognises the importance in promoting its equal opportunity policy through the whole recruitment process. It focuses on applying non-discriminatory treatment to all potential and actual applicants and to comply with the relevant legislative requirements.

Disability

BPP Company practice is to provide a suitable environment for working and studying for people with disabilities and to support and help employees who become disabled during their working life.

Training and development

Employees have the opportunity to attend appropriate courses from the wide range of courses provided by the Group as well as externally. Academic staff are encouraged to attend a minimum of five days of training per year to enhance their teaching, professional competence and scholarship.

By order of the Board



T Stewart
Director

Date: 6 April 2017

Directors' Report

The directors present their annual report and audited financial statements for the year ended 31 August 2016.

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

Directors

The directors who served during the year or were subsequently appointed were as follows:

C Lygo (Resigned - 08/03/2017)
W Etchell (Resigned - 30/09/2016)
A C Barbe (Appointed - 30/09/2016)
T Stewart (Appointed - 08/03/2017)

Going concern

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

Re-appointment of auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information. The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

By order of the Board



T Stewart
Director

Date: 6 April 2017

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BPP SERVICES LIMITED

We have audited the financial statements of BPP Services Limited for the year ended 31 August 2016 which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity and the related notes 1 to 21. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on 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 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 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 August 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

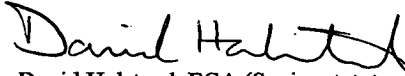
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BPP SERVICES LIMITED
(CONTINUED)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.


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

Date: 7 April 2017

Profit and Loss account
for the year ended 31 August 2016

		<i>Year ended 31 August 2016</i>	<i>Year ended 31 August 2015</i>
	Notes	£'000	£'000
TURNOVER		15,208	20,106
GROSS PROFIT		15,208	20,106
Administrative expenses		(15,442)	(20,068)
OPERATING (LOSS)/PROFIT		(234)	38
Impairment of investment in subsidiaries		(16,558)	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		(16,792)	38
Interest expense	5	(4,139)	(4,010)
Interest income	6	631	793
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(20,300)	(3,179)
Tax on loss on ordinary activities	7	567	296
LOSS FOR THE YEAR		(19,733)	(2,883)

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

There were no recognised gains or losses other than the loss for the year of £19,733,000 (2015: loss £2,883,000).

Notes on pages 11-22 form part of these financial statements.

BPP Services Limited

Balance sheet

As at 31 August 2016

Registered No. 06003756

		31 August 2016	31 August 2015
	Notes	£'000	£'000
FIXED ASSETS			
Tangible assets	8	5,112	5,373
Investments	9	84,342	100,900
		<u>89,454</u>	<u>106,273</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	10	33,060	29,393
Debtors: amounts falling due after more than one year	11	1,835	2,127
		<u>34,895</u>	<u>31,520</u>
CURRENT LIABILITIES			
Bank overdraft		(3,264)	(3,524)
Creditors: amounts falling due within one year	13	(78,804)	(72,526)
		<u>(47,173)</u>	<u>(44,530)</u>
NET CURRENT LIABILITIES			
		<u>42,281</u>	<u>61,743</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>42,281</u>	<u>61,743</u>
CREDITORS: amounts falling due after more than one year	14	(101,171)	(100,900)
		<u>(58,890)</u>	<u>(39,157)</u>
TOTAL NET LIABILITIES			
		<u>(58,890)</u>	<u>(39,157)</u>
CAPITAL AND RESERVES			
Called-up share capital	15	-	-
Profit and loss account		(58,890)	(39,157)
		<u>(58,890)</u>	<u>(39,157)</u>
EQUITY SHAREHOLDERS' DEFICIT			
		<u>(58,890)</u>	<u>(39,157)</u>

Notes on pages 11-22 form part of these financial statements.

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

T Stewart
Director

Date: 6 April 2017

Statement of Changes in Equity

Registered No. 06003756

	Called-up share capital	Profit and loss account	Total equity
	£'000	£'000	£'000
Balance at 1 September 2014	-	(36,274)	(36,274)
Loss for the year ended 31 August 2015	-	(2,883)	(2,883)
At 31 August 2015	-	(39,157)	(39,157)
Loss for the year ended 31 August 2016	-	(19,733)	(19,733)
As at 31 August 2016	-	(58,890)	(58,890)

Notes to the financial statements
For the year ended 31 August 2016

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year ended 31 August 2016 and to the preceding year ended 31 August 2015.

General information and basis of preparation

BPP Services Limited is a Company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the group's operations and its principal activities are set out in the strategic report on page 2.

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

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

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also in pounds sterling.

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

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

Pension policy

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

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less its estimated residual value, of each asset evenly over its useful economic life.

Office equipment	—	over three to five years
Leasehold assets	—	over the duration of the lease

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

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

**Notes to the financial statements (continued)
for the year ended 31 August 2016**

1. Accounting policies (continued)

Investments

Investments in subsidiary undertakings and other fixed asset investments are stated at cost. The carrying value of fixed asset investments is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Current taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

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

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Turnover

Turnover represents intra group recharges of the shared services costs. Turnover is derived from the United Kingdom and represents the invoiced amount of goods and services provided during the year, stated net of VAT. They are allocated between Group entities based on relevant cost drivers such as head count and revenue.

Going Concern

The Company's business activities, together with the factors likely to affect its future development and position are set out on page 2 and 3 of the Strategic Report. The Company is expected to continue to provide centralised treasury services for all Companies with the BPP group. The Company participates in the group's centralised treasury arrangements and so shares banking arrangements with its UK parent BPP Holdings Ltd and fellow subsidiaries.

BPP Holdings Limited and Apollo Global have committed that they will lend as is necessary to this entity to pay the debts of BPP Services Limited as they become due for a period up to 31 May 2018. Having assessed the responses of the directors of BPP Holdings Limited and in light of the support from Apollo Global, the directors of the Company have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of BPP Services Limited to continue as a going concern.

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

**Notes to the financial statements (continued)
for the year ended 31 August 2016**

2. Loss on ordinary activities before taxation

This is stated after charging:

	<i>Year ended 31 August 2016</i>	<i>Year ended 31 August 2015</i>
	<i>£'000</i>	<i>£'000</i>
Impairment of investment in subsidiary undertakings	16,558	-
Depreciation of tangible fixed assets	2,653	3,049
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	46	84
	<u> </u>	<u> </u>

3. Directors' remuneration

The amount remunerated to directors of the Company by its parent, BPP Holdings Ltd, was £1,374,000 (2015: £1,270,000). It is not practicable to allocate this between their services as executives of BPP Holdings Ltd and their services as directors of BPP subsidiary companies. The directors are executives of the holding company, BPP Holdings Ltd, and are also directors of other BPP subsidiary companies.

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

4. Staff costs

	<i>Year ended 31 August 2016</i>	<i>Year ended 31 August 2015</i>
	<i>£'000</i>	<i>£'000</i>
Wages and salaries	1,910	3,109
Social security costs	265	383
Other pension costs	43	49
	<u> </u>	<u> </u>
	2,218	3,541
	<u> </u>	<u> </u>

**Notes to the financial statements (continued)
for the year ended 31 August 2016**

4. Staff costs (continued)

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

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

	2016	2015
	<i>No.</i>	<i>No.</i>
Sales and marketing	-	1
Administration and services	61	73
Customer services	-	54
	<u>61</u>	<u>128</u>

5. Interest expense

	<i>Year ended 31 August 2016 £'000</i>	<i>Year ended 31 August 2015 £'000</i>
Interest on intercompany balances	4,139	4,010
	<u>4,139</u>	<u>4,010</u>

6. Interest income

	<i>Year ended 31 August 2016 £'000</i>	<i>Year ended 31 August 2015 £'000</i>
Interest on intercompany balances	611	750
Bank interest	20	43
	<u>631</u>	<u>793</u>

**Notes to the financial statements (continued)
for the year ended 31 August 2016**

7. Tax on loss on ordinary activities

(a) Analysis of credit in year

	<i>Year ended 31 August 2016</i>	<i>Year ended 31 August 2015</i>
	<i>£'000</i>	<i>£'000</i>
UK corporation tax	(36)	-
Tax underprovided in prior years	23	633
Group relief receivable	(833)	(686)
Total current tax	<u>(846)</u>	<u>(53)</u>
Deferred tax (note 12)		
Origination and reversal of timing differences – current year	134	(531)
Origination and reversal of timing differences – prior year	(59)	289
Decrease in tax rate	204	(1)
	<u>279</u>	<u>(243)</u>
Tax credit on loss on ordinary activities (note 7(b))	<u>(567)</u>	<u>(296)</u>

**Notes to the financial statements (continued)
for the year ended 31 August 2016**

7. Tax on loss on ordinary activities (continued)

(b) Factors affecting total tax credit for the year

	<i>Year ended 31 August 2016</i>	<i>Year ended 31 August 2015</i>
	<i>£'000</i>	<i>£'000</i>
Loss on ordinary activities before tax	(20,300)	(3,179)
Loss on ordinary activities multiplied by average rate of corporation tax in the UK of 20% (2015: 21%, effective rate 20.58%)	(4,060)	(654)
Effect of:		
Expenses not deductible for tax purposes	3,325	9
Depreciation in excess of capital allowances	(131)	(79)
Tax underprovided in prior years	23	633
Other timing differences	(3)	38
Deferred tax	279	(243)
Total tax (credit) for the year	(567)	(296)

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

During the year beginning 1 September 2016, the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge for the year by £134,380. This is due to a combination of fixed asset and short term timing differences. These will be carried forward indefinitely.

Notes to the financial statements (continued)
for the year ended 31 August 2016

8. Tangible fixed assets

	<i>Leasehold improvements</i>	<i>Office equipment</i>	<i>Capital Work in Progress</i>	<i>Total</i>
	£'000	£'000	£'000	£'000
Cost:				
At 1 September 2015	551	18,028	707	19,286
Additions	-	1,225	1,167	2,392
Reclassification	-	279	(279)	-
Disposals	(551)	(402)	-	(953)
	—	—	—	—
At 31 August 2016	-	19,130	1,595	20,725
	==	==	==	==
Depreciation:				
At 1 September 2015	551	13,362	-	13,913
Provided during the year	-	2,653	-	2,653
Depreciation on disposals	(551)	(402)	-	(953)
	—	—	—	—
At 31 August 2016	-	15,613	-	15,613
	==	==	==	==
Net book value:				
At 31 August 2016	-	3,517	1,595	5,112
	==	==	==	==
At 31 August 2015	-	4,666	707	5,373
	==	==	==	==

**Notes to the financial statements (continued)
for the year ended 31 August 2016**

9. Investments

	<i>Investment in Subsidiary undertakings £'000</i>
Cost	
At 1 September 2015 and 31 August 2016	100,900
Provisions for impairment	
At 1 September 2015	-
Impairment	(16,558)
At 31 August 2016	(16,558)
Carrying value	84,342

*Percentage of issued share capital and voting rights held
directly*

BPP Professional Education Limited	100%
BPP Learning Media Limited	100%

Both Companies undertake training and education as the nature of their business and are registered in England and Wales.

During the year the Company performed an impairment review of its investments which resulted in an impairment charge of £10,027,000 relating to BPP Professional Education Limited and £6,531,000 relating to BPP Learning Media Limited.

The Company holds 64,626,081 irredeemable preference shares in BPP Professional Education Limited with a nominal value of £61,100,000 and 42,096,858 irredeemable preference shares in BPP Learning Media Limited with a nominal value of £39,800,000.

The preference shares carry no voting rights. The preference shares carry the right to a cumulative floating rate dividend, of LIBOR + 4.36% on the issue price, payable annually solely at the discretion of the directors. The directors did not recommend a dividend for 2016 (2015: £nil).

On a winding up of the Companies, the preference shareholders have a right to receive, in preference to payments to the ordinary shareholders, the nominal value paid up on the irredeemable shares plus any accrued dividend. The preference shareholders will also receive £0.99 per each irredeemable preference share held at the date of winding up.

Notes to the financial statements (continued)
for the year ended 31 August 2016

10. Debtors: amounts falling due within one year

	<i>2016</i>	<i>2015</i>
	<i>£'000</i>	<i>£'000</i>
Intercompany in respect of Group Corporation Tax Relief	2,002	744
Other debtors	122	184
Prepayments	517	1,889
Amounts due from parent undertaking	1,266	58
Amounts due from fellow subsidiary undertakings	29,153	26,300
Other taxes	-	218
	<u>33,060</u>	<u>29,393</u>

11. Debtors: amounts falling due after one year

	<i>2016</i>	<i>2015</i>
	<i>£'000</i>	<i>£'000</i>
Prepayments	-	13
Deferred tax asset (note 12)	1,835	2,114
	<u>1,835</u>	<u>2,127</u>

**Notes to the financial statements (continued)
for the year ended 31 August 2016**

12. Deferred tax

	2016 £'000	2015 £'000
At 1 September	2,114	1,871
Arising in the year (note 7(a))	(279)	243
At 31 August	<u>1,835</u>	<u>2,114</u>

Deferred tax provided consists of:

	2016 £'000	2015 £'000
Depreciation in excess of capital allowances	1,803	2,070
Other timing differences	32	44
	<u>1,835</u>	<u>2,114</u>

13. Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	377	543
Amounts due to fellow subsidiary undertakings	69,970	65,109
Amounts due to fellow parent undertaking	4,951	2,102
Other creditors	467	395
Other taxes	1,129	1,722
Accruals	1,910	2,655
	<u>78,804</u>	<u>72,526</u>

**Notes to the financial statements (continued)
for the year ended 31 August 2016**

14. Creditors: amounts falling due in over one year

	2016	2015
	£'000	£'000
Amounts owed to parent undertaking	80,100	80,100
Amounts owed to fellow subsidiary undertakings	20,800	20,800
Rent free accrual	271	-
	<u>101,171</u>	<u>100,900</u>

15. Called-up share capital

	2016	2015
	£	£
Allotted, called up and fully paid: 102 ordinary shares of £1 each	<u>102</u>	<u>102</u>

16. Capital commitments

Amounts contracted for but not provided for in the financial statements amounted to £nil (2015: £nil).

17. Other financial commitments

✓ The company had no annual commitment under non-cancellable operating leases (2015: £nil).

18. Related party transactions

The Company has taken advantage of the exemption allowed in FRS102 33.1 and has not disclosed details of related party transactions with 100% owned entities within the Group.

19. Parent undertaking and controlling party

Apollo Education Group Inc. is the Company's ultimate parent company where the results of this company are consolidated. BPP Holdings Limited is the intermediate parent of the company. Apollo Education Group Inc. is the smallest and the largest group where the results of this company are consolidated. Copies of Apollo Education Group Inc's financial statements can be obtained from 4025 S Riverpoint, Phoenix, AZ 85040, USA.

20. Subsequent event

On the 1st February 2017 Apollo Education Group, Inc. sold all of its shares to AP VIII Quesco Holdings, L.P. Hence, AP VIII Quesco Holdings, L.P. became the Company's ultimate parent. The change in ownership has had no financial effect on the Company.

Notes to the financial statements (continued)
for the year ended 31 August 2016

21. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 was therefore 1 September 2014. As a consequence of adopting FRS 102, no accounting policies have changed to comply with that standard so there is no impact on Equity at transition date to FRS 102 or for comparative information for the year ended 31 August 2015.