Registered number: 03612942

IPP Education Limited

Directors' Report and Financial Statements

For the Year Ended 30 June 2017

DAINS
ACCOUNTANTS

IPP Education Limited

Company Information

Directors	E J Hammond J Davenport K Pullar
Company secretary	G J Cresswell
Registered number	03612942
Registered office	Goldfinger House 245 Cranmore Boulevard Shirley Solihull West Midlands B90 4ZL
Independent auditor	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	The Royal Bank of Scotland 5th Floor 2 St Philips Place Birmingham B3 2RB

IPP Education Limited

Contents

Directors' Report
For the Year Ended 30 June 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

Principal activity

The principal activity of the company continues to be the provision of training courses leading to qualifications in payroll management and pensions.

Results and dividends

The profit for the year, after taxation, amounted to £95,802 (2016 - loss £131,021).

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Directors

The directors who served during the year were:

E J Hammond
J Davenport (appointed 17 November 2016)
K Pullar (appointed 28 September 2016)
L V Melvin (resigned 28 September 2016)
P D Rains (resigned 17 November 2016)

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

A resolution to appoint Haines Watts as auditors will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 9 November 2017 and signed on its behalf.

K Pullar
Chief Executive Officer

Independent Auditor's Report to the Members of IPP Education Limited

Opinion

We have audited the financial statements of IPP Education Limited for the year ended 30 June 2017, which comprise the statement of income and retained earnings, the balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's Report.

Mark Hargate FCA (Senior Statutory Auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

9 November 2017

Statement of Income and Retained Earnings
For the Year Ended 30 June 2017

	Note	Year ended 30 June 2017 £	18 months ended 30 June 2016 £
Turnover		**5,226,099**	6,417,243
Cost of sales		**(1,937,036)**	(2,546,820)
Gross profit		**3,289,063**	3,870,423
Administrative expenses		**(3,162,513)**	(4,017,547)
Operating profit/(loss)	3	**126,550**	(147,124)
Interest receivable and similar income		**484**	422
Interest payable and expenses		**(31,232)**	-
Profit/(loss) before tax		**95,802**	(146,702)
Tax on profit/(loss)		**-**	15,681
Profit/(loss) after tax		**95,802**	(131,021)
Retained earnings at the beginning of the year		**(98,056)**	32,965
Profit/(loss) for the year		**95,802**	(131,021)
Retained earnings at the end of the year		**(2,254)**	(98,056)

The notes on pages 8 to 21 form part of these financial statements.

IPP Education Limited
Registered number:03612942

Balance Sheet
As at 30 June 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	8		**328,765**		289,567
Investments	9		**50**		50
			328,815		289,617
Current assets					
Debtors: amounts falling due within one year	10	**1,173,058**		1,288,189	
Cash at bank and in hand	11	**437,458**		101,664	
		1,610,516		1,389,853	
Creditors: amounts falling due within one year	12	**(1,763,980)**		(1,777,522)	
Net current liabilities			**(153,464)**		(387,669)
Total assets less current liabilities			**175,351**		(98,052)
Creditors: amounts falling due after more than one year	13		**(177,601)**		-
Net liabilities			**(2,250)**		(98,052)
Capital and reserves					
Called up share capital			**4**		4
Profit and loss account			**(2,254)**		(98,056)
			(2,250)		(98,052)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 November 2017.

K Pullar
Chief Executive Officer
The notes on pages 8 to 21 form part of these financial statements.

1. General information

IPP Education Limited is a private limited company by shares and is registered in England and Wales under the Companies Act. The address of the registered office is given on the Company Information page.

The nature of the company's principal activities are set out in the directors report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The company has recorded a profit for the year of £95,802 and at the year end has net current liabilities of £153,464 (2016 - £387,669).

The directors have prepared group cash flow forecasts and projections to 31 December 2018, making certain assumptions regarding prudent possible changes in trading performance, level of demand for the group's products and services and the significant cost reduction and efficiency measures recently implemented.

The cashflow forecasts demonstrate that the company can continue to trade within its available facilities for a period of at least 12 months from the date of approval of the financial statements and therefore the directors have concluded that it is reasonable to continue to adopt the going concern basis in preparing the company's financial statements.

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures, fittings and equipment - 20% - 30% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2. Accounting policies (continued)

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

2.13 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.14 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	Year ended 30 June 2017 £	18 months ended 30 June 2016 £
Depreciation of tangible fixed assets	**62,867**	77,717
Defined contribution pension cost	**146,148**	190,487

Auditors remuneration is borne by the parent undertaking.

4. Employees

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

	Year ended 30 June 2017 No.	18 months ended 30 June 2016 No.
Staff	**63**	68
Tutors	**70**	85
	133	153

5. Directors' remuneration

	Year ended 30 June 2017 £	18 months ended 30 June 2016 £
Directors' emoluments	**335,993**	147,596
Company contributions to defined contribution pension schemes	**29,506**	28,819
	365,499	176,415

6. Taxation

	Year ended 30 June 2017 £	18 months ended 30 June 2016 £
Corporation tax		
Adjustments in respect of previous periods	-	(802)
	-	(802)
Total current tax	-	(802)
Deferred tax		
Origination and reversal of timing differences	-	(14,879)
Total deferred tax	-	(14,879)
Taxation on profit/(loss) on ordinary activities	-	(15,681)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 19.75% (2016 - 20.16%). The differences are explained below:

	Year ended 30 June 2017 £	18 months ended 30 June 2016 £
Profit/(loss) on ordinary activities before tax	**95,802**	(146,702)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (2016 - 20.16%)	**18,921**	(29,575)
Effects of:		
Expenses not deductible for tax purposes	**3,810**	1,915
Other timing differences leading to an increase (decrease) in taxation	**(22,731)**	7,656
Group relief	-	4,323
Total tax charge for the year/period	-	(15,681)

7. Intangible assets

	Goodwill £
Cost	
At 1 July 2016	**45,000**
At 30 June 2017	**45,000**
Amortisation	
At 1 July 2016	**45,000**
At 30 June 2017	**45,000**
Net book value	
At 30 June 2017	**-**
At 30 June 2016	-

8. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 July 2016	**475,174**
Additions	**102,065**
Disposals	**(341)**
At 30 June 2017	**576,898**
Depreciation	
At 1 July 2016	**185,607**
Charge for the year on owned assets	**62,867**
Disposals	**(341)**
At 30 June 2017	**248,133**
Net book value	
At 30 June 2017	**328,765**
At 30 June 2016	289,567

9. Fixed asset investments

	Investment in joint arrangement that is not an entity £
Cost or valuation	
At 1 July 2016	**50**
At 30 June 2017	**50**
Net book value	
At 30 June 2017	**50**
At 30 June 2016	50

The company owns 50% of the ordinary issued share capital of IPPFHE Limited ("IPPFHE"). IPPFHE has no activity of its own and acts merely as an agent for the shareholders, in order to procure and distribute certain government funding. IPP Education Limited therefore accounts directly for its own share of the results of IPPFHE as if they were directly attributable to the company, in accordance with Financial Reporting Standard 102.

10. Debtors

	2017 £	2016 £
Trade debtors	**425,415**	464,186
Amounts owed by group undertakings	**233,484**	12,974
Other debtors	**1,732**	2,235
Prepayments and accrued income	**512,427**	808,794
	1,173,058	1,288,189

11. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	**437,458**	101,664
	437,458	101,664

12. Creditors: Amounts falling due within one year

	2017 £	2016 £
Other loans	**44,931**	-
Trade creditors	**523,285**	436,863
Other taxation and social security	**193,624**	205,228
Obligations under finance lease and hire purchase contracts	**5,370**	-
Other creditors	**282,735**	553,570
Accruals and deferred income	**714,035**	581,861
	1,763,980	1,777,522

13. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Other loans	**155,394**	-
Net obligations under finance leases and hire purchase contracts	**22,207**	-
	177,601	-

Secured loans

Other loans are secured against certain assets owned by the company.

Net obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

14. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Other loans	**44,931**	-
	44,931	-
Amounts falling due 1-2 years		
Other loans	**48,262**	-
	48,262	-
Amounts falling due 2-5 years		
Other loans	**107,132**	-
	107,132	-
	200,325	-

15. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	**5,370**	-
Between 1-2 years	**5,712**	-
Between 2-5 years	**16,495**	-
	27,577	-

16. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**427,147**	446,421
	427,147	446,421
Financial liabilities		
Financial liabilities measured at amortised cost	**1,754,535**	1,572,294
	1,754,535	1,572,294

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise other loans, accruals, trade creditors, obligations under finance lease and hire purchase contracts and other creditors.

17. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £146,148 (2016 - £190,487). Contributions totalling £14,370 (2016 - £15,689) were payable to the fund at the balance sheet date

18. Commitments under operating leases

At 30 June 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Land and Buildings		
Not later than 1 year	**45,000**	45,000
Later than 1 year and not later than 5 years	**22,500**	67,500
	67,500	112,500

19. Related party transactions

The company has taken advantage of the exemption conferred by FRS 102 Section 33.5 not to disclose transactions with members of the group headed by The Chartered Institute of Payroll Professionals, on the grounds that 100% of the voting rights in the company are controlled within that group and the company's results are included in the group's consolidated financial statements.

20. Controlling party

The immediate and ultimate parent undertaking at the balance sheet date is The Chartered Institute of Payroll Professionals, a company incorporated by Royal Charter. The consolidated financial statements for the group are available from The Chartered Institute of Payroll Professionals, Goldfinger House, 245 Cranmore Boulevard, Shirley, Solihull, B90 4ZL.

21. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2015. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 January 2015

	Note	£
Equity at 1 January 2015 under previous UK GAAP		32,969
Equity shareholders funds at 1 January 2015 under FRS 102		**32,969**

Reconciliation of equity at 30 June 2016

	Note	£
Equity at 30 June 2016 under previous UK GAAP		(65,503)
Holiday pay accrual	1	(32,549)
Equity shareholders funds at 30 June 2016 under FRS 102		**(98,052)**

Reconciliation of profit and loss account for the period ended 30 June 2016

		£
Loss for the period under previous UK GAAP		(98,472)
Holiday pay accrual	1	(32,549)
Loss for the period ended 30 June 2016 under FRS 102		**(131,021)**

The following were changes in accounting policies arising from the transition to FRS 102:

1 Inclusion of holiday pay accrual in accordance with FRS 102 section 28.3