

**REGISTRAR OF
COMPANIES**

Timetolearn Group Limited

Report and Financial Statements

Year Ended

28 December 2012

Company Number 6711921

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Timetolearn Group Limited

Report and financial statements for the year ended 28 December 2012

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Directors

P A Baker
P E Baker
C Steed

Secretary and registered office

P Giuffredì
2-3 Forest Works, Forest Road, Walthamstow, E17 6JF

Company number

6711921

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Timetolearn Group Limited

Report of the directors for the year ended 28 December 2012

The directors present their report together with the audited financial statements for the year ended 28 December 2012

The consolidated financial statements incorporate the results of Timetolearn Group Limited and its subsidiary undertakings as at 28 December 2012

The current year under review is the 52 week period ended 28 December 2012 (2011 - 52 week period ended 31 December 2011) The consolidated results of the group presented in these financial statements include only the results of group undertakings for the 52 weeks to 28 December 2012, in accordance with the principles of merger accounting and UK GAAP

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year

No dividends were paid in the year (2011 - £Nil) On 20 June 2013 the company declared a dividend of £5,000,000 having received a dividend of equal amount from a subsidiary company

Principal activities, trading review and future developments

The principal activity of the group is that of supplying craft products, toys and fundraising items by mail order and online to schools, consumers, playgroups and other childcare establishments

Trade is undertaken through its two subsidiaries under the brand names of Baker Ross and Yellow Moon Baker Ross is focused on schools, playgroups and other childcare establishments Yellow Moon is focused on the consumer market

We aim to present a balanced review of the development and performance of our business during the year and its position at the year end Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face

The group has had another good year with growth in turnover being achieved and also a healthy liquidity position at the period end Turnover and profitability would have been higher if it were not for challenging trading conditions during the whole year During the year the group has maintained a good customer base and healthy cash balances that will ensure that the group remains poised for future development

In the coming year the directors believe that profit growth can be achieved and have strategies in place to facilitate this

Key performance indicators are both turnover and gross profit driven, these being sales growth and gross profit margin

	2012	2011	
Growth in turnover	10.1%	(7.7)%	(turnover current - turnover comparative)/turnover comparative
Gross profit margin	70%	72%	(Gross profit/turnover)

Gross profit margins have remained strong and constant

We do not perceive there to be any major threats or risks to the business Turnover growth may be harder to achieve without increasing the product range further or looking for new classes of customer New marketing and product development initiatives are being implemented to counteract this threat

Timetolearn Group Limited

Report of the directors for the year ended 28 December 2012 (*continued*)

Directors

The directors of the company during the year were

Mrs P A Baker
P E Baker
C Steed

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

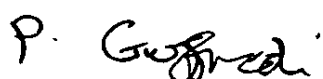
Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. Under the Companies Act 2006 section 487(2) they will be automatically re-appointed as auditors 28 days after these financial statements are sent to the members, unless the members exercise their rights under the Companies Act 2006 to prevent their re-appointment.

By order of the Board

P Giuffredi



Secretary

Date 22/7/2013

Timetolearn Group Limited

Independent auditor's report

TO THE MEMBERS OF TIMETOLEARN GROUP LIMITED

We have audited the financial statements of Timetolearn Group Limited for the year ended 28 December 2012 which comprise the consolidated profit and loss account, the reconciliation of movements in shareholders' funds, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 auditors

As explained more fully in the statement of directors' responsibilities, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 28 December 2012 and of the group's 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.

Opinion on other matters prescribed by the Companies Act 2006

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

Timetolearn Group Limited

Independent auditor's report (*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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Scott McNaughton (*senior statutory auditor*)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

31 June 2013.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Timetolearn Group Limited

Consolidated profit and loss account for the year ended 28 December 2012

	Note	2012 £	2011 £
Turnover	2	17,439,794	15,836,541
Cost of sales		<u>(5,313,795)</u>	<u>(4,418,999)</u>
Gross profit		12,125,999	11,417,542
Distribution costs		<u>(4,051,712)</u>	<u>(3,791,790)</u>
Administrative expenses		<u>(4,898,447)</u>	<u>(4,633,667)</u>
Operating profit	5	3,175,840	2,992,085
Interest receivable and similar income	6	8,880	1,000
Interest payable	7	<u>(3,677)</u>	<u>-</u>
Profit on ordinary activities before taxation		3,181,043	2,993,085
Taxation on profit from ordinary activities	8	<u>(777,833)</u>	<u>(788,080)</u>
Profit on ordinary activities after taxation		<u>2,403,210</u>	<u>2,205,005</u>

All amounts relate to continuing activities

There are no recognised gains or losses other than those reported in the profit and loss account

The notes on pages 10 to 22 form part of these financial statements

Timetolearn Group Limited

Reconciliation of movements in shareholders' funds for the year ended 28 December 2012

	2012 £	2011 £
Group		
Profit for the year	2,403,210	2,205,005
Recognition of equity settled share based payments	13,769	13,769
	<u>2,416,979</u>	<u>2,218,774</u>
Opening shareholders' funds	4,384,434	2,165,660
	<u>6,801,413</u>	<u>4,384,434</u>
Company		
Profit for the year	-	-
	<u>-</u>	<u>-</u>
Opening shareholders' funds	9,100	9,100
	<u>9,100</u>	<u>9,100</u>

There are no recognised gains or losses other than those reported in the profit and loss account

The notes on pages 10 to 22 form part of these financial statements

Timetolearn Group Limited

Consolidated balance sheet at 28 December 2012

Company number 6711921	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Intangible assets	10		403,821		484,512
Tangible assets	12		191,274		189,689
			<u>595,095</u>		<u>674,201</u>
Current assets					
Stocks	13	2,037,641		1,918,079	
Debtors	14	933,947		603,184	
Cash at bank and in hand		5,678,704		3,666,652	
		<u>8,650,292</u>		<u>6,187,915</u>	
Creditors amounts falling due within one year	15	(2,443,974)		(2,477,682)	
Net current assets			<u>6,206,318</u>		<u>3,710,233</u>
Total assets less current liabilities			<u>6,801,413</u>		<u>4,384,434</u>
Capital and reserves					
Called up share capital	17		9,100		9,100
Share Options reserve	18		57,560		43,791
Merger reserve	18		(7,999)		(7,999)
Capital redemption reserve	18		300		300
Profit and loss account	18		6,742,452		4,339,242
Shareholders' funds - equity			<u>6,801,413</u>		<u>4,384,434</u>

The financial statements were approved by the Board of Directors and authorised for issue on

22/7/13

P E Baker
Director



The notes on pages 10 to 22 form part of these financial statements

Timetolearn Group Limited

Company balance sheet at 28 December 2012

Company number 6711921	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Investments	11		9,099		9,099
Current assets					
Cash at bank and in hand		1		1	
Net current assets			1		1
Total assets less current liabilities			9,100		9,100
Capital and reserves					
Called up share capital	17		9,100		9,100
Profit and loss account	18		(300)		(300)
Capital redemption reserve	18		300		300
Shareholders' funds - equity			9,100		9,100

The financial statements were approved by the Board of Directors and authorised for issue on 22/7/13

P E Baker
Director



The notes on pages 10 to 22 form part of these financial statements

Timetolearn Group Limited

Consolidated cash flow statement for the year ended 28 December 2012

	Note	2012 £	2012 £	2011 £	2011 £
Net cash inflow from operating activities	21		2,742,116		3,170,219
Returns on investments and servicing of finance					
Interest received		8,880		1,000	
Interest paid		(3,677)		(95,228)	
Net cash outflow from investments and finance			5,203		(94,228)
Taxation					
UK corporation tax paid			(651,754)		(597,008)
Capital expenditure					
Purchase of tangible fixed assets		(86,163)		(73,555)	
Proceeds from disposal of fixed assets		2,650		1,000	
Net cash outflow from capital expenditure			(83,513)		(72,555)
Equity dividends paid					-
Financing					
Repayment of director loan		-		(2,729,172)	
			-		(2,729,172)
Increase/(decrease) in cash	22		2,012,052		(322,744)

The notes on pages 10 to 22 form part of these financial statements

Timetolearn Group Limited

Notes forming part of the financial statements for the year ended 28 December 2012

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

Basis of consolidation

The consolidated financial statements incorporate the results of Timetolearn Group Limited and its subsidiary undertakings as at 28 December 2012 using the merger method of accounting

The consolidated results of the group presented in these financial statements include only the results of group undertakings for the 52 week period ended 28 December 2012 (2011 - 52 weeks ended 31 December 2011), in accordance with the principles of merger accounting and UK GAAP

Merger accounting

Where merger accounting is used, the investment is recorded in the company's balance sheet at the nominal value of the shares issued

In the group financial statements, merged subsidiary undertakings are treated as if they had always been a member of the group. The results of such a subsidiary are included for the whole period in the year it joins the group. The corresponding figures for the previous year include its results for that period, the assets and liabilities at the previous balance sheet date and the shares issued by the company as consideration as if they had always been in issue. Any difference between the nominal value of the shares acquired by the company and those issued by the company to acquire them is taken to the merger reserve

On 15 October 2008, the company acquired, in return for the issue of new ordinary share capital, the entire share capital of Baker Ross Limited and Yellow Moon UK Limited

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Turnover is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates

Improvements to premises	-	Straight line over ten years
Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	25% straight line
Fixtures, fittings and equipment	-	25% of the written down value
Motor vehicles	-	25% of the written down value

Timetolearn Group Limited

Notes forming part of the financial statements for the year ended 28 December 2012 (*continued*)

1 Accounting policies (*continued*)

Trademarks

Trademarks are valued at cost less accumulated amortisation

Amortisation is calculated to write off the cost in equal instalments over their estimated useful life of 10 to 20 years. The valuation is reviewed each year for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Taxation

The charge for taxation is based on the profit for the year and taking into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date.

Deferred tax balances are not discounted.

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Pensions

The group operates a non-contributory defined contribution scheme in respect of some of the directors and a defined contribution scheme in respect of some directors and senior employees. Contributions to the scheme are charged to the profit and loss account in the year they become payable.

Dividends

Equity dividends are recognised when they become legally payable. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

Share based payments

The fair value of employee services received in exchange for the grant of options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. This estimate is revised at each balance sheet date and the difference is charged or credited to the profit and loss account, with a corresponding adjustment to equity.

Timetolearn Group Limited

Notes forming part of the financial statements
for the year ended 28 December 2012 (continued)

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom

3 Employees

	2012 £	2011 £
Staff costs (including directors) consist of		
Wages and salaries	2,964,477	2,661,262
Social security costs	276,721	258,959
Other pension costs	28,086	147,257
Share based payments	13,769	13,769
	<u>3,283,053</u>	<u>3,081,247</u>

The average number of employees, including directors, during the year was

	Number	Number
Warehouse	35	36
Administration	59	53
	<u>94</u>	<u>89</u>

4 Directors emoluments

	2012 £	2011 £
Directors' remuneration consist of		
Emoluments	241,063	261,500
Fees	48,000	48,000
Payments to defined contribution pension scheme	-	120,000
	<u>289,063</u>	<u>429,500</u>
Highest paid director		
Emoluments	<u>132,500</u>	<u>155,625</u>

There were no directors in the company's defined contribution pension scheme during the year (2011 - 1)
Fees relate to the services of C Steed and are paid to Argyll Partners LLP, in which C Steed is a partner

Timetolearn Group Limited

Notes forming part of the financial statements
for the year ended 28 December 2012 (*continued*)

5 Operating profit

	2012 £	2011 £
This has been arrived at after charging/(crediting)		
Amortisation of intangible assets	80,691	80,692
Depreciation of tangible assets	82,940	81,564
Share based payments	13,769	13,769
Operating lease rentals - land and buildings	282,750	282,750
Auditors' remuneration		
-audit fees	30,500	30,500
-other services	5,000	5,000
Profit on sale of fixed assets	(1,012)	(620)
Net foreign exchange loss / (gain)	29,232	(1,334)

6 Interest receivable and similar income

	2012 £	2011 £
Bank interest	8,474	1,000
Other interest	406	-
	8,880	1,000

7 Interest payable

	2012 £	2011 £
Interest payable on corporation tax	3,677	-

Timetolearn Group Limited
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Notes forming part of the financial statements
for the year ended 28 December 2012 (continued)

8 Taxation on profit from ordinary activities

	2012 £	2011 £
<i>Current tax</i>		
UK corporation tax on profits of the year	775,618	784,272
<i>Deferred tax</i>		
Origination and reversal of timing differences	2,215	3,808
	<u>777,833</u>	<u>788,080</u>
Taxation on profit on ordinary activities		

The tax assessed for the year is lower than the standard rate of corporation tax in the UK The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	3,181,043	2,993,085
Profit on ordinary activities at the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	779,356	793,168
Effects of		
Expenses not deductible for tax purposes	3,457	3,172
Capital allowances for year in excess of depreciation	(5,903)	(7,429)
Short term timing differences on share option charges	3,373	3,648
Marginal relief	(4,668)	(8,287)
	<u>775,615</u>	<u>784,272</u>
Current tax charge for year		

9 Dividends

	2012 £	2011 £
Ordinary shares		
Dividends paid in the year of £nil (2011 - £Nil) per share	-	-

On 20th June 2013 a dividend of £5 495 per ordinary A share was declared The dividends will be paid to Mr P E Baker and Mrs P A Baker

Timetolearn Group Limited

Notes forming part of the financial statements
for the year ended 28 December 2012 (*continued*)

10 Intangible asset

Trademarks
£

Group

Cost

At 31 December 2011 and 28 December 2012

1,508,704

Provision for diminution in value

At 1 January 2012

1,024,192

Amortisation charge for the year

80,691

At 28 December 2012

1,104,883

Net book value

At 28 December 2012

403,821

At 31 December 2011

484,512

11 Investments

£

Company

Cost

At 31 December 2011 and 28 December 2012

9,099

The principal undertakings in which the companies interest at the year end is 20% or more are as follows

Subsidiary undertaking	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
Baker Ross Limited	England	100%	Retailer
Yellow Moon UK Limited	England	100%	Retailer

Timetolearn Group Limited

Notes forming part of the financial statements
for the year ended 28 December 2012 (*continued*)

12 Tangible assets							
Group	Improvements to premises £	Short leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £	
<i>Cost</i>							
At 1 January 2012	75,472	27,346	225,332	293,485	36,441	658,076	
Additions	8,880	-	28,848	12,110	36,325	86,163	
Disposals	-	-	(159,734)	-	(25,441)	(185,175)	
At 28 December 2012	84,352	27,346	94,446	305,595	47,325	559,064	
<i>Depreciation</i>							
At 1 January 2012	43,521	21,878	169,018	207,690	26,280	468,387	
On disposals	-	-	(159,734)	-	(23,803)	(183,537)	
Charge for the year	8,575	2,735	35,738	24,476	11,416	82,940	
At 28 December 2012	52,096	24,613	45,022	232,166	13,893	367,790	
<i>Net book value</i>							
At 28 December 2012	32,256	2,733	49,424	73,429	33,432	191,274	
At 31 December 2011	31,951	5,468	56,314	85,795	10,161	189,689	

Timetolearn Group Limited

Notes forming part of the financial statements
for the year ended 28 December 2012 (*continued*)

13 Stocks

	Group 2012 £	Group 2011 £
Finished goods and goods for resale	2,037,641	1,918,079

There is no material difference between the replacement cost of stocks and the amounts stated above

14 Debtors

	Group 2012 £	Group 2011 £
Trade debtors	415,332	405,006
Prepayments and accrued income	351,546	190,450
Directors account (note 20)	167,069	7,728
	<u>933,947</u>	<u>603,184</u>

All amounts shown under debtors fall due for payment within one year

15 Creditors amounts falling due within one year

	Group 2012 £	Group 2011 £
Trade creditors	1,113,502	1,078,846
Corporation tax	411,678	287,814
Other taxation and social security	667,262	775,440
Other creditors	9,315	2,045
Deferred tax (note 16)	4,213	1,998
Accruals	238,004	331,539
	<u>2,443,974</u>	<u>2,477,682</u>

**Notes forming part of the financial statements
for the year ended 28 December 2012 (continued)**

	2012 £	2011 £
Accelerated capital allowances	17,452	12,945
Share-based payments that will be deductible for tax purposes only when paid	(13,239)	(10,947)
Provision for deferred tax	4,213	1,998
Provision at 31 December 2011	1,998	
Deferred tax charged to the profit and loss account	2,215	
Deferred tax liability (note 15)	4,213	

	Authorised			
	2012 Number	2011 Number	2012 £	2011 £
Ordinary "A" shares of £0.01 each	10,000,000	10,000,000	100,000	100,000
Ordinary "B" shares of £0.01 each	10,000,000	10,000,000	100,000	100,000
	<u>20,000,000</u>	<u>20,000,000</u>	<u>200,000</u>	<u>200,000</u>
	Allotted, called up and fully paid			
	2012 Number	2011 Number	2012 £	2011 £
Ordinary "A" shares of £0.01 each	909,900	909,900	9,100	9,100
Ordinary "B" shares of £0.01 each	-	-	-	-
	<u>909,900</u>	<u>909,900</u>	<u>9,100</u>	<u>9,100</u>

Timetolearn Group Limited

Notes forming part of the financial statements
for the year ended 28 December 2012 (*continued*)

18 Reserves

Group	Capital redemption reserve £	Share options reserve £	Merger reserve £	Profit and loss account £
At 1 January 2012	300	43,791	(7,999)	4,339,242
Profit for the year	-	-	-	2,403,210
Share based payment charge	-	13,769	-	-
	<u>300</u>	<u>57,560</u>	<u>(7,999)</u>	<u>6,742,452</u>
At 28 December 2012				
Company			Capital redemption reserve £	Profit and loss account £
At 1 January 2012			300	(300)
Profit for the year			-	-
			<u>300</u>	<u>(300)</u>
At 28 December 2012				

19 Commitments under operating leases

As at 28 December 2012, the company had annual commitments under non-cancellable operating leases as set out below

	2012 Land and buildings £	2011 Land and buildings £
Operating leases which expire		
In one to five years	282,750	282,750
Over five years	-	-
	<u>282,750</u>	<u>282,750</u>

Timetolearn Group Limited

Notes forming part of the financial statements for the year ended 28 December 2012 (continued)

20 Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related party disclosures", not to disclose any transactions with members of the group headed Time to Learn Group Limited on the grounds that 100% of the voting rights in the companies are controlled within that group and the companies are included in consolidated financial statements

At 28 December 2012 an amount of £58,913 (2011 - £7,228) was due from P A Baker At 28 December 2012 an amount of £108,156 (2011 - £nil) was due from P E Baker

21 Reconciliation of operating profit to net cash inflow from operating activities

	2012 £	2011 £
Operating profit	3,175,840	2,992,085
Depreciation of tangible fixed assets	82,940	81,564
Amortisation of intangible fixed assets	80,691	80,692
Profit on sale of fixed assets	(1,012)	(620)
Share based payments	13,769	13,769
(Increase)/decrease in stocks	(119,562)	409,245
(Increase)/decrease in debtors	(330,763)	47,575
Decrease in creditors	(159,787)	(454,091)
Net cash inflow from operating activities	<u>2,742,116</u>	<u>3,170,219</u>

22 Reconciliation of net cash flow to movement in net funds

	2012 £	2011 £
Decrease in cash for the year	2,012,052	(322,744)
Cash outflow from changes in debt	-	2,729,172
Movement in net funds	<u>2,012,052</u>	<u>2,406,428</u>
Opening net funds	3,666,652	1,260,224
Closing net funds	<u>5,678,704</u>	<u>3,666,652</u>

Timetolearn Group Limited

Notes forming part of the financial statements
for the year ended 28 December 2012 (*continued*)

23 Analysis of net funds

	At 26 December 2011 £	Cash flow £	Non cash Items £	31 December 2012 £
Cash in hand and at bank	3,666,652	2,012,052	-	5,678,704
Total	3,666,652	2,012,052	-	5,678,704

24 Share based payments

Equity-settled share-based payments

During the year ended 28 December 2012, Timetolearn Group Limited had 3 share option agreements with employees of Baker Ross Limited which are to be equity-settled 1 agreement was dated 15 October 2008 and 2 agreements dated 17 October 2008

The total expense recognised for the year was £13,769 The company has used the Black Scholes model to value options The expected volatility input to the model is based on historical volatility determined by analysis of share price movements over the last few years for similar AIM listed companies Details of the arrangements are as follows

Arrangement	Class B	Class A
Date of grant	15 October 2010	17 October 2010
Number of options granted	150,000	40,000
Number of options expected to vest	40,000	20,000
Exercise price	£0 01	£0 01
Share price at date of grant	£0 74	£3 60
Contractual life of options (years)	10 years	10 years
Vesting conditions	5 years	5 years
Expected volatility(%)	40 28%	40 28%
Expected option life at grant date (years)	5 years	5 years
Risk free interest rate (%)	4 5%	4 5%
Expected dividend yield (%)	4 58%	4 58%
Fair value of one option	£0 74	£3 60

No options were exercised during the year The following information applies to options outstanding at the end of each period

Timetolearn Group Limited

Notes forming part of the financial statements
for the year ended 28 December 2012 (*continued*)

24 Share based payments (*continued*)

Equity-settled share-based payments

2012				
Range of exercise prices	Weighted average exercise price (pence)	Number	Weighted average remaining life Expected	Contractual
£0 01 - £0 01	0 01	80,000	10 mths	10 mths
2011				
Range of exercise prices	Weighted average exercise price (pence)	Number	Weighted average remaining life Expected	Contractual
£0 01 - £0 01	0 01	80,000	1 yr 10 mths	1 yr 10 mths

A reconciliation of movements in the number of share options is summarised below

	2012 Weighted average exercise price (pence)	2012 Number	2011 Weighted average exercise price (pence)	2011 Number
Outstanding at start of period	0 01	80,000	0 01	80,000
Cancellations	-	-	-	-
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding at end of period	0 01	80,000	0 01	80,000
Exercisable at end of period	-	-	-	-

25 Statutory profit and loss account for Timetolearn Group Limited

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group profit for the year includes a profit after tax of £nil (2011 - £Nil) which is dealt with in the financial statements of the parent company.

No directors emoluments were paid for the year by the company.

26 Ultimate controlling party

The ultimate controlling party of the group is P E Baker, who owns 55% of the share capital of the group.