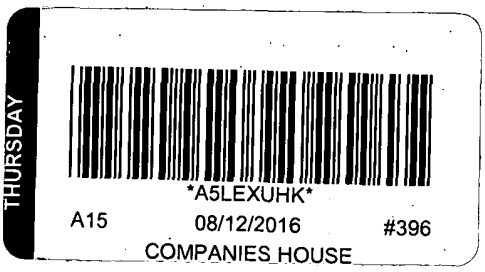
Gabbitas Limited

Financial statements

For the year ended 31 March 2016



Company No. 09662821

Company information

Gabbitas Limited	Registered in England & Wales
Company registration number	09662821
Registered office	Prospects House 19 Elmfield Road Bromley Kent BR1 1LT
Directors	R M Auvray K M Beerling J N Bell I M Hunt J E Hutchison P E Miller B Rowbotham
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditor Grant Thornton House 202 Silbury Boulevard Central Milton Keynes MK9 1LW

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Directors' report

The directors present their report and the financial statements of the group for the year ended 31 March 2016.

Principal activity

The principal activity of the group continued to be the provision of independent education consultancy including school selection, assessment testing, guardianship services, tutoring, school and teacher advisory services and teacher placement services.

Change of name

The company was incorporated on 30 June 2015 as Gabbitas Newco Limited and changed its name to Gabbitas Limited on 15 July 2015.

Results and dividends

On 24 July 2015 the company acquired all of the issued share capital of Gabbitas Educational Consultants Limited. The acquisition has been accounted for in accordance with the principles of merger accounting. The financial information is therefore presented as if Gabbitas Educational Consultants Limited and its subsidiary had been owned and controlled by the company throughout the years ended 31 March 2015 and 31 March 2016.

The audited financial statements of the group for the year ended 31 March 2016 are set out on pages 8 to 25. The financial statements have been prepared for the first time under Financial Reporting Standard 102 (FRS 102) which replaces previous UK Generally Accepted Accounting Practice (GAAP) and the comparatives for the year ended 31 March 2015 have been restated accordingly. The loss for the year after taxation was £434,502 (2015: £522,374). No dividend was paid or proposed in respect of the year ended 31 March 2016 (2015: £nil).

Directors

The directors who served during the year were as follows:

R M Auvray, appointed 24 July 2015
K M Beerling, appointed 30 June 2015
J N Bell, appointed 30 June 2015
I M Hunt, appointed 24 July 2015
J E Hutchison, appointed 23 March 2016
P E Miller, appointed 24 July 2015
B Rowbotham, appointed 24 July 2015

Statement of directors' responsibilities

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 laws).

Directors' report (continued)

Statement of directors' responsibilities (continued)

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 the group and of the profit or loss of the group for that period. 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;
- 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 group 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.

The directors confirm that:

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

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 may differ from legislation in other jurisdictions.

Going concern

The ultimate parent undertaking, Prospects Group 2011 Limited, has indicated that it will continue to provide financial support to the company. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Directors' report (continued)

Small company provisions

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small groups.

ON BEHALF OF THE BOARD



K M Beerling
Director
14 September 2016

Independent auditor's report to the members of Gabbitas Limited

We have audited the financial statements of Gabbitas Limited for the year ended 31 March 2016 which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated and parent company balance sheets, the consolidated and parent company statements of changes in equity 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) 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 set out on pages 3 to 4, 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 (APB'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 of the parent company's affairs as at 31 March 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Gabbitas 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 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; or
- the directors are not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic report and in preparing the Directors' report.

Grant Thornton UK LLP

Fiona Baldwin
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
Milton Keynes
14 September 2016

Consolidated profit and loss account

	Note	2016 £	2015 £
Turnover	5	**2,528,302**	1,721,053
Administrative expenses		**3,044,576**	(2,348,734)
Operating loss	6	**(516,274)**	(627,681)
Earnings before interest, tax and depreciation		**(478,987)**	(604,677)
Depreciation		**(37,287)**	(23,004)
Interest receivable	8	**1,512**	4,535
Loss on ordinary activities before taxation		**(514,762)**	(623,146)
Tax on loss on ordinary activities	9	**80,260**	100,772
Loss on ordinary activities after taxation		**(434,502)**	(522,374)

All of the activities of the group are classed as continuing.

Consolidated statement of comprehensive income

	Note	2016 £	2015 £
Loss for the financial year		**(434,502)**	(522,374)
Other comprehensive income:			
Currency translation differences		**(4,206)**	-
Other comprehensive loss for the year, net of tax		**(4,206)**	-
Total comprehensive loss for the year		**(438,708)**	(522,374)

Consolidated balance sheet

	Note		At 31 March 2016 £		At 31 March 2015 £
Fixed assets					
Tangible assets	10		**109,310**		24,956
Current assets					
Debtors	12	**303,922**		238,817	
Cash at bank and in hand		**115,964**		754,291	
		419,886		993,108	
Creditors: amounts falling due within one year	13	**(2,785,261)**		(2,835,519)	
Net current assets			**(2,365,375)**		(1,842,411)
Total assets less current liabilities			**(2,256,065)**		(1,817,455)
Capital and reserves					
Called up share capital	14	**98**		-	
Other reserves		**149,999**		149,999	
Profit and loss account		**(2,406,162)**		(1,967,454)	
Equity shareholders' deficit			**(2,256,065)**		(1,817,455)
Capital employed			**(2,256,065)**		(1,817,455)

These financial statements were approved by the board on 14 September 2016.

J E Hutchison
Director

Company no: 09662821

The accompanying notes form part of these financial statements.

Company balance sheet

	Note	At 31 March 2016 £
Investments		
Investment in subsidiary	11	1
Current assets		
Debtors	12	97
Total assets		98
Capital and reserves		
Called up share capital	14	98
Equity shareholders' funds		98

These financial statements were approved by the board on 14 September 2016.

J B Hutchison
Director

Company no: 09662821

Consolidated statement of changes in equity

	Share capital £	Merger reserve £	Profit and loss account £	Total £
At 1 April 2014	-	149,999	(1,445,080)	(1,295,081)
Loss for the financial year	-	-	(522,374)	(522,374)
Total comprehensive loss for the year	-	-	(522,374)	(522,374)
At 31 March 2015	-	149,999	(1,967,454)	(1,817,455)
Shares issued in the year	98	-	-	98
Loss for the financial year	-	-	(434,502)	(434,502)
Other comprehensive loss for the year	-	-	(4,206)	(4,206)
Total comprehensive loss for the year	-	-	(438,708)	(438,708)
At 31 March 2016	**98**	**149,999**	**(2,406,162)**	**(2,256,065)**

Company statement of changes in equity

	Share capital £
Shares issued on incorporation on 30 June 2015	80
Further shares issued in the year	18
At 31 March 2016	**98**

Notes to the financial statements

1 Company information

Gabbitas Limited ("the company") and its subsidiaries (together "the group") operate from Norfolk House, 30 Charles II Street, London SW1Y 4AE and also through offices in Dubai and China.

The company is a private company limited by shares, incorporated in England and Wales. The registered office is situated at Prospects House, 19 Elmfield Road, Bromley, Kent BR1 1LT.

2 Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 17 for an explanation of the transition.

The financial statements are presented in Sterling (£).

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March each year.

The company has adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
  - categories of financial instruments,
  - items of income, expenses, gains or losses relating to financial instruments, and
  - exposure to and management of financial risks.
- the requirement to disclose related party transactions with other wholly owned group companies.

The company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The company's profit for the year was £nil (2015: £ nil).

Going concern

The ultimate parent undertaking, Prospects Group 2011 Limited, has indicated that it will continue to provide financial support to the company. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements (continued)

3 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Deferred tax asset (note 12)

The company has unrelieved tax losses available for offset against future profits. Management has considered the extent to which these profits can be regarded as foreseeable in determining how much of the deferred tax asset should be recognised.

4 Principal accounting policies

Adoption of merger accounting

The company was incorporated on 30 June 2015 as Gabbitas Newco Limited and presents its financial statements for its first accounting reference period. On 15 July 2015 the company changed its name to Gabbitas Limited and on 24 July 2015, through a group reconstruction, acquired control of Gabbitas Educational Consultants Limited. This group reconstruction has been accounted for in accordance with the principles of merger accounting as the effective interest of the ultimate parent company, Prospects Group 2011 Limited, in Gabbitas Educational Consultants Limited was the same immediately prior to and after the transaction. The financial information is therefore presented as if Gabbitas Educational Consultants Limited and its subsidiary had been owned and controlled by the company throughout the years ended 31 March 2015 and 31 March 2016.

The financial information relating to the year ended 31 March 2015 has been prepared from the statutory accounts of Gabbitas Educational Consultants Limited and its subsidiary that were included in the consolidated financial statements of Prospects Group 2011 Limited which have been reported on by the group's auditors and have been delivered to the Registrar of Companies. The auditors' report was unqualified and did not contain any statement under section 498(2) or (3) of the Companies Act 2006.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, on a straight line basis over its expected useful life as follows:

Fixtures, fittings, equipment and software	-	3 to 5 years

Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Notes to the financial statements (continued)

4 Principal accounting policies (continued)

Investment in subsidiaries (continued)

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the company's financial statements.

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.

Creditors

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

Foreign currency translation

Functional currency and presentation currency
The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position are presented in Sterling (£).

Transactions and balances
In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise. However, in the consolidated financial statements exchange differences arising on monetary items that form part of the net investment in a foreign operation are recognised in other comprehensive income.

Translation of group companies
For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated from their functional currency to Sterling (£) using the closing exchange rate. Income and expenses are translated using the average rate for the month in which the transaction occurred. Exchange differences arising on the translation of group companies are recognised in other comprehensive income.

Notes to the financial statements (continued)

4 Principal accounting policies (continued)

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services.

The group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the amount of revenue can be measured reliably and (c) it is probable that future economic benefits will flow to the entity.

Revenue on service-based contracts is recognised as services are provided. Where the company has received consideration under the terms of a contract in advance of performing the related service, revenue is deferred until the relevant contractual commitment has been fulfilled. An expected loss on a contract is recognised immediately in the profit and loss account.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

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

The tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the financial statements (continued)

4 Principal accounting policies (continued)

Employee benefits

Short term benefits

Short-term employee benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

The group currently has no finance leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

5 Turnover

The total turnover of the group for the year has been derived from its principal activities which are substantially delivered in the United Kingdom.

Notes to the financial statements (continued)

6 Operating loss

Operating loss is stated after charging:

	2016 £	2015 £
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the company's annual accounts	-	-
Fees payable to the company's auditor and its associates for other services:		
Audit of the accounts of subsidiaries	**8,800**	8,800
Tax compliance services	**1,650**	1,650
All other services	**750**	5,000
Depreciation of tangible fixed assets	**37,287**	23,004
Operating lease charges	**166,755**	165,590

7 Directors and employees

Staff costs, including directors' remuneration, consist of:

	2016 £	2015 £
Wages and salaries	**1,222,061**	1,150,748
Social security costs	**125,556**	115,285
Other pension costs	**42,120**	40,231
	1,389,737	1,306,264

The average monthly number of full time equivalent persons employed by the group, including executive directors, was:

	2016 Number	2015 Number
Direct delivery and contract support staff	**39**	40
Central administrative support staff	**1**	1
	40	41

The total amounts for directors' remuneration and other benefits were as follows:

	2016 £	2015 £
Emoluments	**137,498**	115,034
Defined contribution scheme pension payment	**11,480**	11,241
	148,978	126,275

Notes to the financial statements (continued)

7 Directors and employees (continued)

The group made a contribution of £11,480 (2015: £11,241) to a defined contribution pension scheme on behalf of one director (2015: one director).

The total emoluments of the highest paid director amounted to £114,798 (2015: £112,934). Pension contributions totalling £11,480 were made in respect of the highest paid director (2015: £11,241).

The directors are the key management personnel of the group.

8 Interest receivable

Interest receivable and similar income

	2016	2015
	£	£
Bank interest received	**1,512**	4,535
Total interest income on financial assets not measured at fair value through profit or loss	**1,512**	4,535
Total interest receivable and similar income	**1,512**	4,535

9 Taxation

The tax charge is based on the profit for the year and represents:

	2016	2015
	£	£
UK corporation tax	**(90,650)**	(101,901)
Amounts in respect of prior periods	**(1,649)**	-
Total current tax	**(92,299)**	(101,901)
Deferred taxation: origination and reversal of timing differences	**8,383**	(1,101)
Deferred taxation: changes in tax rates	**898**	53
Deferred taxation: amounts in respect of prior periods	**2,758**	2,177
Total deferred tax	**12,039**	1,129
Total tax on loss on ordinary activities	**(80,260)**	(100,772)

Notes to the financial statements (continued)

9 Taxation (continued)

The tax assessed for the year is higher than the standard rate of corporation tax in the United Kingdom at 20% (2015: 21%). The differences are explained as follows:

	2016 £	2015 £
Loss on ordinary activities before taxation	**(514,762)**	(623,146)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% (2015: 21%)	**(102,952)**	(130,861)
Expenses not deductible for tax purposes	**20,685**	27,859
Group relief	**90,651**	101,900
Payment for group relief	**(90,651)**	(101,900)
Adjustments in respect of prior periods (current tax)	**(1,649)**	-
Adjustments in respect of prior periods (deferred tax)	**2,758**	2,177
Deferred taxation: changes in tax rates	**898**	53
Tax on loss on ordinary activities	**(80,260)**	(100,772)

The aggregate current and deferred tax charged relating to items that are recognised as items of other comprehensive income is £nil (2015: £nil).

During the year the UK corporation tax rate was reduced. Following Budget 2015 announcements, there will be a further reduction in the main rate of corporation tax to 18% from 1 April 2017.

10 Tangible fixed assets

Group

	Fixtures, fittings, equipment and software £
Cost	
At 1 April 2015	373,501
Additions	121,641
At 31 March 2016	495,142
Depreciation	
At 1 April 2015	348,545
Charge for the year	37,287
At 31 March 2016	385,832
Net book value	
At 31 March 2016	**109,310**
At 31 March 2015	24,956

Notes to the financial statements (continued)

11 Fixed asset investments

Investments in subsidiary undertakings	Company £
Cost	
At incorporation on 30 June 2015	-
Addition	1
At 31 March 2016	1

The company acquired the entire issued share capital of Gabbitas Educational Consultants Limited on 24 July 2015.

At 31 March 2016 the group undertakings were:-

Name	Country of incorporation	Interest	Activity
Gabbitas Educational Consultants Limited[1]	England and Wales	100%	Education services
Gabbitas (Shanghai) Consulting Services Co., Ltd	China	100%	Consultancy services

[1]Investment held by Gabbitas Limited

12 Debtors

	Group		Company
	2016	2015	**2016**
	£	£	**£**
Trade debtors	**175,095**	108,199	**-**
Amount owed by fellow subsidiary undertakings	**-**	-	**79**
Other debtors	**36,559**	75,365	**18**
Deferred tax asset	**8,085**	20,123	**-**
Prepayments and accrued income	**84,183**	35,130	**-**
	303,922	238,817	**97**

The deferred tax asset comprises:

	Group		Company
	2016	2015	**2016**
	£	£	
Accelerated capital allowances	**5,499**	9,496	**-**
Other timing differences	**2,586**	10,627	**-**
	8,085	20,123	**-**

Trade debtors are stated after provisions for impairment of £2,275 (2015: £68,958).

Notes to the financial statements (continued)

12 Debtors (continued)

A deferred tax asset amounting to £4,028 (2015: £4,476) in respect of unrelieved losses has not been recognised due to uncertainty as to recoverability in the future.

The amount of the net reversal of deferred tax expected to occur next year is £1,467 (2015: £5,966) relating to the unrelieved losses and the reversal of other timing differences.

13 Creditors: amounts falling due within one year

	Group		Company
	2016	2015	**2016**
	£	£	**£**
Trade creditors	**44,122**	60,495	-
Other taxes including social security costs	**24,718**	13,155	-
Amounts owed to group undertakings	**2,403,608**	1,806,159	-
Other creditors	**18,644**	770,695	-
Accruals and deferred income	**294,169**	185,015	-
	2,785,261	2,835,519	-

The liability to other creditors includes £nil (2015: £729,022) held on behalf of clients in separately designated bank accounts and which is not available for use by the group for its own purposes.

14 Share capital

	2016	2015
	£	£
Allotted, called up and fully paid		
9,750 Ordinary shares of £0.01 each (2015: nil)	**98**	-

The company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote in any circumstances. Each share has equal rights to dividends and is entitled to participate in a distribution arising from a winding up of the company.

8,000 Ordinary shares were issued at par value on incorporation.

On 24 July 2015 a further 1,500 Ordinary shares were issued at par value and on 17 March 2016 a further 250 Ordinary shares were issued at par value.

Notes to the financial statements (continued)

15 Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Merger reserve – is an undistributable reserve arising on consolidation of the investment in Gabbitas Educational Consultants Limited.

Profit and loss account – includes all current and prior period retained profits and losses.

16 Operating lease commitments

The group's future minimum operating lease payments are as follows:

	2016	2015
	£	£
Within one year	**183,932**	122,568
Between one and five years	**184,021**	-
	367,953	122,568

Leases of land are typically subject to rent reviews at specified intervals.

17 Transition to FRS 102

The group has adopted FRS 102 for the year ended 31 March 2016 and has restated the comparative prior year amounts.

Explanations

Changes for FRS 102 adoption

i. Accrued holiday pay

FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received. This has resulted in the group recognising a liability for holiday pay of £27,971 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. In the year to 31 March 2015 a charge of £1,858 was recognised in the profit and loss account and the liability at 31 March 2015 was £29,829.

ii. Deferred taxation

The impact on deferred tax as a result of the adjustment above and the subsequent effect of the change in tax rates was to increase the deferred tax asset at 1 April 2014 by £5,594. A further increase of £371 was recognised at 31 March 2015. The deferred tax asset at 31 March 2015 was £20,123.

Notes to the financial statements (continued)

17 Transition to FRS 102 (continued)

Transition to FRS 102 - reconciliations

Restated balance sheet	Explanation	31 March 2015 £	1 April 2014 £
Original shareholders' deficit		(1,793,591)	(1,272,704)
Holiday pay accruals adjustment	i	(29,829)	(27,971)
Deferred taxation	ii	5,965	5,594
Restated shareholders' deficit		(1,817,455)	(1,295,081)

Restated loss for the year ended 31 March 2015		31 March 2015 £
Original loss on ordinary activities before tax		(621,288)
Increase in accrued holiday pay	i	(1,858)
Restated loss on ordinary activities before tax		(623,146)
Original tax credit on ordinary activities		100,401
Deferred tax on accrued holiday pay adjustment	ii	371
Restated tax credit on profit on ordinary activities		100,772
Restated loss for the financial year		(522,374)

18 Related party transactions

The company has taken advantage of the exemption in FRS 102 from the requirement to disclose transactions with wholly owned group companies on the grounds that consolidated financial statements are prepared by Prospects Group 2011 Limited, the ultimate parent company.

On 24 July 2015 the company ceased to be a wholly owned subsidiary of the Prospects Group 2011 Limited group. In the period since 24 July 2015 the Gabbitas Limited group, in the ordinary course of business received services from Prospects Services totalling £136,682 in respect of management and administration and provided services to Prospects Services totalling £32,949 in respect of administration. At 31 March 2016 an amount of £2,403,608 (24 July 2015: £2,225,178) was owed to Prospects Services.

Details of the directors' remuneration are disclosed in note 7 to the financial statements

19 Contingent liability

Gabbitas Educational Consultants Limited has entered into a guarantee and debenture creating a fixed and floating charge over its assets in favour of Santander UK PLC in respect of a bank loan and credit facility provided to a fellow Prospects Group 2011 Limited group company, Prospects Services. The amount owed by Prospects Services at 31 March 2016 was £830,000 (2015: £996,000).

Notes to the financial statements (continued)

20 Ultimate parent company

The ultimate parent company is Prospects Group 2011 Limited, a company registered in England and Wales. Prospects Group 2011 Limited is the largest group of undertakings for which group accounts have been drawn up and copies can be obtained from 19 Elmfield Road, Bromley, Kent, BR1 1LT.