Creditors: Registered No. 04551096

ISTITUTO MARANGONI LIMITED

Report and Financial Statements

For the year ended 31 December 2015

Registered No. 04551096

Directors
S Krnic
R Riccio
R Appadoo

Secretary

D Medici

Auditor
Ernst &Young LLP
1 More London Place
London SE1 2AF

Registered Office
22-24 Ely Place
London
EC1N 6TE

Bankers
RBS Royal Bank of Scotland
62-63 Threadneedle Street
London, EC2R 8LA

HSBC
8 Canada Square
London, E14 5HQ

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2015.

Principal activity and business review

The principal activity of the company during the year was the provision of higher educational courses related to the fashion industry.

The ultimate parent undertaking is Providence Equity Partners, having acquired Istituto Marangoni Limited from the former ultimate parent undertaking, Career Education Corporation, on 14th November 2011. Providence Equity Partners is a private equity firm incorporated in the United States of America.

Results and dividends

The profit for the year after taxation amounted to £ 2,832,219 (2014 amounting to £ 2,514,418). A dividend of £510,000 (2014 - £2,050,000) was approved by the directors and paid prior to the balance sheet date.

Directors

The directors who served the company during the year were:

S Krnic
R Riccio
R Appadoo

Going concern

The financial statements have been prepared on a going concern basis. The immediate parent undertaking, Istituto Marangoni Limited, will support the company to meet its financial liabilities as they fall due for a period of at least twelve months from the date of signing the financial statements.

As a result of their assessment, the Directors are satisfied that the going concern basis of preparation is appropriate for the statutory financial statements for the year ended 31 December 2015.

Disclosure of information to auditors

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish that the company's auditors are aware of that information.

Directors' report (continued)

Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

On behalf of the Board

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S Krnic
Director
Date: 23 September 2016

Strategic Report

Financial performance review

	2015	2014	Change
	£000	£000	%
Turnover	10,466,185	9,293,526	13%
Operating profit	3,147,991	2,768,178	14%
Profit after tax	2,832,219	2,514,418	13%

For the financial year ended 31 December 2015, turnover increased by 13% and it was in line with the expected increase of business volume. The increase in revenues is strictly related to the increase in the actual number of students together with a yearly price increase of the student fees. The increase in costs, and in particular of the staff costs, is due to the consequent increase of the number of classes. However, cost increase is less than proportional if compared to revenues, based on economies of scale due to a better utilization of the campus facilities, whilst maintaining the high quality standards that Istituto Marangoni Ltd provides to its students.

Future Developments

The Company has considered to keep investing with the aim to maintaining and implementing the education performance. In this context, the Company will undertake major renovation works within the campus.

Existing borrowing:

Currently, there are no outstanding loans payable to the external parties.

Proposed borrowing:

At the date of the current document, based on the forecast assumptions and the financial sustainability information, the Company has no plans of requiring further borrowings.

Principal risks and uncertainties

Liquidity risks

Istituto Marangoni Ltd remains in a healthy financial position, with adequate funding available, and so the liquidity risk to the company is considered to be minimal.

Currency exchange risks

Some of the costs incurred by the company are incurred outside the United Kingdom, and therefore there is a risk that the exchange rates may differ from the rates expected when calculating the service charges. Istituto Marangoni Ltd has adequate resources and funding available to cover these risks.

Based on the assessment performed by the company and its management, no elements were noted that might affect the Company's capability to comply with law, and to generate profits, cash, and consequently the overall financial sustainability for the upcoming periods.

On behalf of the Board

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S Krnic (Director)

Date: 23 September 2016

Statement of directors' responsibilities in relation to the financial statements

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 Financial Reporting Standard FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland and in accordance with applicable accounting standard and 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 company and of the profit or loss of the for that period.

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

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

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

Independent auditor's report

To the members of ISTITUTO MARANGONI LIMITED

We have audited the financial statements of Istituto Marangoni Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow statement and the related notes 1 to 19. 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 to 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 Statement of directors' responsibilities set out on Page 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable to 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report (continued)

To the members of ISTITUTO MARANGONI LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Ernst & Young LLP

Gordon Cullen (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

27/9/16

Profit and loss account
for the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	3	10,466,186	9,293,526
Cost of sales		(3,146,130)	(2,691,842)
Gross profit		7,320,056	6,601,684
Administrative expenses		(4,172,065)	(3,833,506)
Operating profit	4	3,147,991	2,768,178
Interest receivable and similar income		352,632	261,577
Interest payable and similar expenses		(35,676)	(43,843)
Net interest	5	316,956	217,734
Profit on ordinary activities before taxation		3,464,947	2,985,912
Tax on profit on ordinary activities	6	(632,728)	(471,494)
Profit for the financial year	12	2,832,219	2,514,418

All amounts relate to continuing activities.

There were no recognized gains or losses other than those included in the profit and loss account.

Balance sheet

at 31 December 2015

	Note	2015 £	2015 £	2014 £	2014 £
Non-current assets					
Fixed assets					
Tangible assets	7		199,057		299,236
			199,057		299,236
Current assets					
Debtors amounts falling due within one year	8	10,018,019		5,177,354	
Debtors amounts falling due after more than one year	8	156,806		156,806	
Cash at bank and in hand		3,528,222		5,365,191	
		13,703,047		10,699,351	
Creditors amounts falling due within one year	9	8,708,556		8,125,396	
Net current assets			4,994,491		2,573,955
Total assets less current liabilities			5,193,548		2,873,191
Creditors amounts falling due after more than one year	9		12,578		14,440
Net assets			5,180,970		2,858,751
Capital and Reserves					
Called up share capital	11		50,000		50,000
Share premium account	11		250,000		250,000
Profit and loss account	11		4,880,970		2,558,751
Shareholders' Funds			5,180,970		2,858,751

The notes 1 to 19 form part of these financial statements.

The financial statements were approved and authorized for issue by the board and were signed on its behalf by:

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S Krnic
Director
Date: 23 September 2016

Statement of changes in equity

For the year ended 31 December 2014

	Called-up share capital	Share premium	Profit and loss account	Total Equity
At 1 January 2014	50,000	250,000	2,094,333	2,394,333
Profit for the year	-	-	2,514,418	2,514,418
Equity dividends paid (note 13)	-	-	- 2,050,000	- 2,050,000
At 31 December 2014	50,000	250,000	2,558,751	2,858,751

For the year ended 31 December 2015

	Called-up share capital	Share premium	Profit and loss account	Total Equity
At 1 January 2015	50,000	250,000	2,558,751	2,858,751
Profit for the year	-	-	2,832,219	2,832,219
Equity dividends paid (note 13)	-	-	(510,000)	(510,000)
At 31 December 2015	50,000	250,000	4,880,970	5,180,970

Cash Flow statement

for the year ended 31 December 2015

Amounts in £000

	2015	2014
Cash Flows used in operating activities		
Profit for the financial year before tax	3,465	2,986
Depreciation on property, plant and equipment	133	203
Movements in deferred revenue	(278)	-
Finance income	(353)	(258)
Finance costs	68	66
Change in working capital	1,138	1,326
	4,173	4,323
Interest received	262	-
Interest paid	(50)	(66)
Income tax paid	(502)	(245)
Net cash generated used in operating activities	3,883	4,012
Cash Flows used in investing activities		
Purchase of property, plant and equipment	(33)	(141)
Net cash used in investing activities	(33)	(141)
Cash Flows used in financing activities		
Proceeds from borrowings	5	-
Repayment of borrowings	(5,192)	(2,586)
Payment of finance lease liabilities	(38)	(33)
Capital contribution	(510)	-
Other (payment to pension fund)		(550)
Net cash used in financing activities	(5,735)	(3,169)
Net (decrease)/ increase in cash and cash equivalents	(1,885)	702
Net foreign exchange differences	48	-
Cash and cash equivalents at the beginning of the year	5,365	4,663
Cash and cash equivalents at the end of the year	3,528	5,365

Notes to the financial statements

at 31 December 2015

1. Accounting policies

1. Statement of compliance

Istituto Marangoni Limited is a limited liability company incorporated in England. The Registered office is in London.
The financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2015.
The company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. An explanation of how the transition of FRS 102 has affected the reported financial position and financial performance is given in note 2.

1. Basis of preparation

The financial statements of the company were approved for issue by the Board of Directors on 23 September 2016. The financial statements have been prepared in accordance with applicable accounting standards.

The company has taken advantage of the following disclosure exemptions under FRS 102:

(a) The requirements of Section 11 paragraphs 11.39 to 11.43A and Section 12 paragraphs 12.26 to 12.29 providing the equivalent disclosures required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.

(b) The requirement of Section 33 Related Party Disclosures paragraph 33.7.

The company's financial statements are prepared in Sterling and all values are rounded to the nearest pound, except when otherwise indicated.

1. Judgements and key sources of estimation uncertainly

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on the amounts recognised in the financial statements.

Notes to the financial statements

at 31 December 2015

Operating lease commitments

The company has entered into commercial property leases as a lessee. The classification of such leases as operating leases requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

The following are the company's key sources of estimation uncertainly:

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 5.

1. Significant accounting policies

Tangible fixed assets

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such cost included costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold improvement	–	20% straight line
Computer equipment	–	33% straight line
Fixtures & fittings	–	25% straight line
Plant & Machinery	–	20% straight line

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Revenue represents the value of the work done in the year, including estimates of amounts not invoiced.

Revenue in respect of contracts for on-going services is recognized by reference to the stage of completion.

Interest income

Revenue is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments to its net carrying mount.

Dividends

Revenue is recognised when the company's right to receive payment is established.

Notes to the financial statements

at 31 December 2015

Significant accounting policies (continued)

Provision for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Deferred tax

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

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

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

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the rate of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All the differences are taken to the income statement.

Financial instruments

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire.

Cash at bank and in hand

Cash at bank and in hand in the balance sheet comprise cash at current bank accounts and in hand.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Pensions

The company makes defined contributions to a group personal pension scheme on behalf of its employees. Contributions are charged to the profit and loss account in the period in which they become payable.

Notes to the financial statements

at 31 December 2015

2. Transition to FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014. There are no material differences resulting from this transition.

Reconciliation of balance sheet as at 1 January 2015

		UK GAAP	Effect of transition		FRS 102
	£	£	£		£
Non current assets					
Fixed assets					
Tangible assets		299,236	-		299,236
		299,236	-		299,236
Current assets					
Debtors amounts falling due within one year	5,177,354		-	5,177,354	
Debtors amounts falling due after more than one year	156,806		-	156,806	
Cash at bank and in hand	5,365,191		-	5,365,191	
	10,699,351		-	10,699,354	
Creditors amounts falling due within one year	8,125,396		-	8,125,396	
Net current assets		2,573,955	-		2,573,955
Total assets less current liabilities		2,873,191	-		2,873,191
Creditors amounts falling due after more than one year		14,440	-		14,440
Net assets		2,858,751	-		2,858,751
Capital and Reserves					
Called up share capital		50,000	-		50,000
Share premium account		250,000	-		250,000
Profit and loss account		2,558,751	-		2,558,751
Shareholders' Funds		2,858,751	-		2,858,751

Notes to the financial statements

at 31 December 2015

Reconciliation of balance sheet as at 31 December 2015

		UK GAAP	Effect of transition		FRS 102
	£	£		£	£
Non current assets					
Fixed assets					
Tangible assets		199,057	-		199,057
		199,057	-		199,057
Current assets					
Debtors amounts falling due within one year	10,018,019		-	10,018,019	
Debtors amounts falling due after more than one year	156,806		-	156,806	
Cash at bank and in hand	3,528,222		-	3,528,222	
	13,703,047		-	13,703,047	
Creditors amounts falling due within one year	8,708,556		-	8,708,556	
Net current assets		4,994,491	-		4,994,491
Total assets less current liabilities		5,193,548	-		5,193,548
Creditors amounts falling due after more than one year		12,578	-		12,578
Net assets		5,180,970			5,180,970
Capital and Reserves					
Called up share capital		50,000	-		50,000
Share premium account		250,000	-		250,000
Profit and loss account		4,880,970	-		4,880,970
Shareholders' Funds		5,180,970	-		5,180,970

Restatement of profit for the year from UK GAAP to FRS 102

The effect of the re-measurement differences on reported profit of the company for the year ended 31 December 2014 is as follows:

	£
Profit for the year ended 31 December 2014 under UK GAAP	2,514,418
Profit for the year ended 31 December 2014 under FRS 102	2,514,418

Notes to the financial statements

at 31 December 2015

3. Turnover

The whole of the turnover is attributable to the provision of higher educational courses related to the fashion industry.

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
owned by the company	96,010.28	167,527
Held under finance lease	35,083.00	35,084
Auditors' remuneration	21,347.40	35,630
Net loss on foreign exchange transactions	290,010	268,344
Rent building	1,227,261	969,026
	1,669,711	1,475,611

During the year, no director received any emoluments (2014 - £NIL). The directors were remunerated by other group undertakings.

5. Interest

	2015	2014
	£	£
Interest receivable and similar income	3,950	25,567
Interest receivable on intercompany loan	348,682	236,010
	352,632	261,577
Interest payable and similar expenses	(30,244)	(29,810)
Interest payable on bank loan	-	(3,184)
Interest payable on financial lease	(5,432)	(10,849)
	(35,676)	(43,843)

Notes to the financial statements
at 31 December 2015

6. Taxation

	2015	2014
	£	£
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	690,680	464,804
Adjustments in respect of prior periods - corporation tax	-	379
	690,680	465,183
Group taxation relief	(54,905)	-
Total current tax	635,775	465,183
Deferred tax (see note 10)		
Origination and reversal of timing differences	(3,047)	6,311
Tax on profit on ordinary activities	632,728	471,494

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%). The differences are explained below:

	2015	*2014*
	£	*£*
Profit on ordinary activities before tax	3,464,947	2,985,912
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 -21.49%)	701,651	641,673
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,984	4,013
Capital allowances for year in excess of depreciation	3,081	(7,500)
Tax rate differences	-	67
Other timing differences	457	-
Adjustments to tax charge in respect of prior periods	-	379
Group relief - no payment made	(17,493)	(173,449)
Current tax charge for the year (see note above)	690,680	465,183

Notes to the financial statements

at 31 December 2015

6. Taxation *(continued)*

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. The tax rate will reduce by 1% from 1 April 2017.

The reduction in the rates will not affect the company's deferred tax position which is based on a tax rate of 20% as this was substantively enacted at the balance sheet date.

7. Tangible fixed assets

	L/Term Leasehold Property	Plant & machinery	Fixtures & fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2015	853,843	88,911	416,302	536,293	1,895,349
Additions	-	-	17,360	15,526	32,886
At 31 December 2015	853,843	88,911	433,662	551,819	1,928,235
Depreciation					
At 1 January 2015	781,883	55,775	348,447	410,008	1,596,113
Charge for the year	29,392	8,316	23,220	72,137	133,065
At 31 December 2015	811,275	64,091	371,667	482,145	1,729,178
Carrying value					
At 1 January 2015	71,960	33,136	67,855	126,285	299,236
At 31 December 2015	42,568	24,820	61,995	69,674	199,057

The net book value of computer equipment includes £ 10,440 (2014: £50,764) in respect of assets held under finance lease.

Notes to the financial statements

at 31 December 2015

8. Debtors

	2015	2014
	£	£
Due after more than one year		
Other debtors	156,806	156,806
	156,806	156,806
Due within one year		
Trade debtors	80,120	56,128
Amounts owed by group undertakings	9,312,748	4,098,087
Prepayments	616,376	1,017,411
Deferred tax asset (see note 10)	8,775	5,728
	10,018,019	5,177,354

The amount in other debtors due after more than one year relates to a rent deposit.

Included in amounts owed by group undertakings are the following loans:

- £1,500,000 to Galileo Global Education Luxco S.a.r.l (formerly MBSP 3 S.a.r.l). The loan accrues interest at a rate of 8.1875% per annum and is repayable on demand or on 18 December 2018, whichever occurs earlier.
- EUR 7,000,000 to Galileo Global Education Luxco S.a.r.l (formerly MBSP 3 S.a.r.l). The loan accrues interest at a rate of 4,75% per annum and is repayable on demand.
- EUR 2,000,000 to Istituto Marangoni S.r.l. The loan accrues interest at a rate of 4,567% per annum and is repayable on demand.

Accrued interests are included in amounts owed by group undertaking.

Notes to the financial statements

at 31 December 2015

9. Creditors

Due within one year	2015	2014
	£	£
Trade creditors	457,593	377,855
Amounts owed to group undertakings	63,193	4,077
Corporation tax	277,920	145,077
Social security and other taxes	134,173	102,050
Dividends payable	303,375	127,423
Accruals	839,419	417,537
Deferred income	6,632,823	6,911,319
Other creditors	60	40,058
	8,708,556	8,125,396

Due after more than one year	2015	2014
	£	£
Obligations under finance lease (note 15)	10,440	10,440
Other	2,138	4,000
	12,578	14,440

10. Deferred tax asset

The deferred tax asset is made up as follows:

	2015	2014
	£	£
At beginning of year	5,728	12,039
Prior year adjustment	-	-
Charged during year	3,047	(6,311)
Asset at end of year	8,775	5,728

Notes to the financial statements

at 31 December 2015

10. Deferred tax asset (continued)

	2015	2014
	£	£
Accelerated capital allowances	8,775	5,728
	8,775	5,728

11. Share Capital

	2015	2014
	£	£
Authorised, allotted, called up and fully paid		
50,000 Ordinary Shares of £1each	50,000	50,000

12. Reserves

	Share Premium Account	Profit and loss account
	£	£
At 1 January 2015	250,000	2,558,751
Profit for the year	-	2,832,219
Dividends paid on equity capital	-	(510,000)
At 31 December 2015	250,000	4,880,970

13. Dividends

	2015	2014
	£	£
Dividends paid on equity capital	510,000	2,050,000

Notes to the financial statements

at 31 December 2015

14. Operating lease commitments

At 31 December 2015 the company had commitments under non-cancellable operating leases as follows:

Building

	2015	2014
	£	£
Amounts payable:		
No later than 1 year	1,480,334	1,463,356
Later than 1 year and no later than 5 years	3,857,228	5,287,694
Later than 5 years	-	-

Equipment

	2015	2014
	£	£
Amounts payable:		
No later than 1 year	21,611	21,780
Later than 1 year and no later than 5 years	5,445	5,445
Later than 5 years	-	-
	27,056	27,225

15. Financial Lease commitments

At 31 December 2015 the amounts due under non-cancellable financial leases as follows:

	2015	2014
	£	£
Amounts payable:		
No later than 1 year	39,077	37,980
Later than 1 year and no later than 5 years	10,440	10,440
Later than 5 years	-	-
	49,517	48,420

Notes to the financial statements

at 31 December 2015

16. Staff costs

16.1. Staff costs breakdown

	2015	2014
	£	£
Wages and salaries – Teachers	1,948,433	1,719,252
Wages and salaries- Administration	638,180	647,425
Social security costs	74,700	92,715
Pension costs	574	-
	2,661,887	2,459,392

The average number of employees during the year was made up as follows:

	No.	*No.*
Administration	20	19
Teachers	25	17

16.2 Directors' remuneration

	2015	*2014*
	£	*£*
Remuneration	-	-

The amounts in respect of the highest paid director are as follows:

	2015	*2014*
	£	*£*
Remuneration	-	-

During the year, no director received any emoluments (2014 - £NIL). The directors were remunerated by other group undertakings.

Notes to the financial statements

at 31 December 2015

17. Post balance sheet events

On 16 February 2016 a loan of EUR 2,000,000 has been granted by the company to Istituto Marangoni S.r.l.

On 21 March 2016 a loan of EUR 100,000 has been granted by the company to Istituto Marangoni S.r.l.

On 1 July 2016 a loan of EUR 400,000 has been granted by the company to Istituto Marangoni S.r.l.

18. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1a of FRS102 not to disclose transactions with fellow wholly owned subsidiaries

19. Ultimate parent undertaking and controlling party

As of 31 December 2014, the immediate parent undertaking was Marangoni Holdings Limited, a company incorporated in England and Wales. The parent undertaking of Marangoni Holdings Limited is PSFG Limited, a company incorporated in England and Wales.

In 2015 a change occurred in the ownerships of Istituto Marangoni Limited. On September 17, 2015 the Shareholder's meeting of Istituto Marangoni Srl, a company incorporated in Italy, resolved the purchase of 100% Istituto Marangoni Limited from Marangoni Holdings Limited. As a consequence, as of 31 December 2015 the immediate parent undertaking of Istituto Marangoni Limited is Istituto Marangoni Srl. The ultimate parent undertaking is Providence Equity Partners, having acquired Istituto Marangoni Limited from the former ultimate parent undertaking, Career Education Corporation, on 14th November 2011. Providence Equity Partners are a private equity firm incorporated in the United States of America. This is the smallest and largest undertaking within which the results of the company are included.