

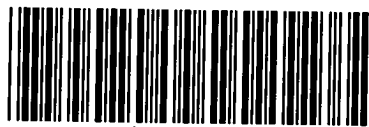
Registered number: 07077954

BABINGTON BUSINESS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2014

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COMPANIES HOUSE

BABINGTON BUSINESS LIMITED

COMPANY INFORMATION

DIRECTORS

F Lord
C Carson
G Turley
M Ridgeway

REGISTERED NUMBER

07077954

REGISTERED OFFICE

Babington House
Mallard Way
Pullman Business Park
Pride Park
Derby
DE24 8GX

INDEPENDENT AUDITORS

Smith Cooper Limited
Chartered Accountants & Statutory Auditors
St Helen's House
King Street
Derby
DE1 3EE

BABINGTON BUSINESS LIMITED

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BABINGTON BUSINESS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2014

BUSINESS REVIEW

The group has delivered an extremely strong year of growth for 2013/14 which has seen turnover rise by 34% and underlying EBITDA by 42%.

This has been driven by:

- A 10% increase in apprenticeship volumes across all age groups.
- Development of new Traineeship programmes for both the 16-18 and 19-23 year old cohorts.
- Diversification into ESF funded provision and other funded programmes.

In order to continue this growth The Group has made key investments into E-commerce, commercial products and sales teams to create a strong core of commercial income moving forward.

Funded provision will be grown through the strengthening of our Business Growth tendering and partnership teams, and the creation of a new Employability Division.

These investments are designed to drive greater income breadth and values for the year 2014/15.

Whilst continuing to grow, the quality of our teaching and learning provision continues to be recognised. In May 2014 Ofsted awarded Michael John Training Limited a Grade 2 'Good' outcome on inspection. The Group also achieved Matrix accreditation and was rated a Best Companies 'One to Watch'

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is heavily invested in the delivery of various Government funded Skills and job outcome programmes. As such the group has to be aware of changes in Government policies, priorities and funding availability and be prepared to adapt our approaches to Skills and employability accordingly.

FINANCIAL KEY PERFORMANCE INDICATORS

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the Group as a whole, these being turnover, EBITDA and cash flow.

This report was approved by the board on 24 November 2014 and signed on its behalf.



C Carson
Director

BABINGTON BUSINESS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2014

The directors present their report and the financial statements for the year ended 31 July 2014.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group strategic report, 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 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 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 judgments 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 group 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 the 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS

The profit for the year, after taxation, amounted to £277,389 (2013 - loss £11,667).

DIRECTORS

The directors who served during the year were:

F Lord
C Carson
G Turley
M Ridgeway

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 and the group'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 relevant audit information and to establish that the company and the group's auditors are aware of that information.

BABINGTON BUSINESS LIMITED

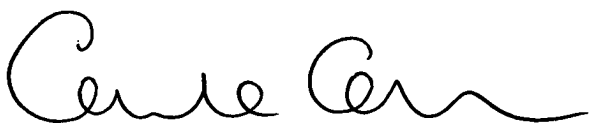
**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2014**

AUDITORS

With effect from 1 April 2014 Smith Cooper LLP, the company's auditor, transferred its business to Smith Cooper Limited. The directors consent to treating the appointment of Smith Cooper LLP as extending to Smith Cooper Limited with effect from 1 April 2014.

Under section 487(2) of the Companies Act 2006, Smith Cooper Limited will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 24 NOVEMBER 2014 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'C Carson', with a stylized, flowing script.

C Carson
Director

BABINGTON BUSINESS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BABINGTON BUSINESS LIMITED

We have audited the financial statements of Babington Business Limited for the year ended 31 July 2014, set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' 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 Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent 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 Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

UNQUALIFIED 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 31 July 2014 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 MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

BABINGTON BUSINESS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BABINGTON BUSINESS 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 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.

Janet Morgan (Senior statutory auditor)

for and on behalf of

Smith Cooper Limited

Chartered Accountants

Statutory Auditors

St Helen's House

King Street

Derby

DE1 3EE

Date: 24 November 2014.

BABINGTON BUSINESS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2014**

	Note	2014 £	2013 £
TURNOVER	1,2	10,462,253	7,820,784
Cost of sales		<u>(5,127,752)</u>	<u>(3,692,908)</u>
GROSS PROFIT		5,334,501	4,127,876
Administrative expenses		(4,388,921)	(3,382,898)
Exceptional administrative expenses		-	(173,493)
Total administrative expenses		(4,388,921)	(3,556,391)
Other operating income	3	-	7,098
OPERATING PROFIT	4	945,580	578,583
Interest receivable and similar income		33	332
Interest payable and similar charges	7	(543,357)	(538,838)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		402,256	40,077
Tax on profit on ordinary activities	8	(124,867)	(51,744)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	18	277,389	(11,667)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 10 to 21 form part of these financial statements.

BABINGTON BUSINESS LIMITED
REGISTERED NUMBER: 07077954

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Intangible assets	9		2,992,671		3,172,925
Tangible assets	10		617,853		467,301
			<u>3,610,524</u>		<u>3,640,226</u>
CURRENT ASSETS					
Stocks	12	6,386		3,519	
Debtors	13	2,021,529		1,329,689	
Cash at bank and in hand		401,295		402,234	
		<u>2,429,210</u>		<u>1,735,442</u>	
CREDITORS: amounts falling due within one year	14	<u>(1,288,988)</u>		<u>(965,063)</u>	
NET CURRENT ASSETS			<u>1,140,222</u>		<u>770,379</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,750,746</u>		<u>4,410,605</u>
CREDITORS: amounts falling due after more than one year	15		(4,833,558)		(4,802,846)
PROVISIONS FOR LIABILITIES					
Deferred tax	16		(44,701)		(12,661)
NET LIABILITIES			<u>(127,513)</u>		<u>(404,902)</u>
CAPITAL AND RESERVES					
Called up share capital	17		375,000		375,000
Profit and loss account	18		(502,513)		(779,902)
SHAREHOLDERS' DEFICIT	19		<u>(127,513)</u>		<u>(404,902)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
24 November 2014



C Carson
Director

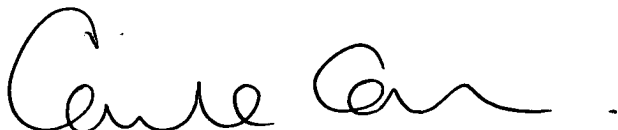
The notes on pages 10 to 21 form part of these financial statements.

BABINGTON BUSINESS LIMITED
REGISTERED NUMBER: 07077954

COMPANY BALANCE SHEET
AS AT 31 JULY 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Investments	11		4,916,948		4,916,948
CURRENT ASSETS					
Debtors		16,000		16,000	
CREDITORS: amounts falling due within one year	14	(1,581,353)		(1,051,406)	
NET CURRENT LIABILITIES			(1,565,353)		(1,035,406)
TOTAL ASSETS LESS CURRENT LIABILITIES			3,351,595		3,881,542
CREDITORS: amounts falling due after more than one year	15		(4,759,467)		(4,759,467)
NET LIABILITIES			(1,407,872)		(877,925)
CAPITAL AND RESERVES					
Called up share capital	17		375,000		375,000
Profit and loss account	18		(1,782,872)		(1,252,925)
SHAREHOLDERS' DEFICIT	19		(1,407,872)		(877,925)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
24 NOVEMBER 2014



C Carson
Director

The notes on pages 10 to 21 form part of these financial statements.

BABINGTON BUSINESS LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	20	795,702	643,007
Returns on investments and servicing of finance	21	(543,324)	(538,505)
Taxation		2,390	-
Capital expenditure and financial investment	21	(182,048)	(115,194)
Acquisitions and disposals	21	-	(1,821,688)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		72,720	(1,832,380)
Financing	21	(73,659)	1,784,001
DECREASE IN CASH IN THE YEAR		(939)	(48,379)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 JULY 2014**

	2014 £	2013 £
Decrease in cash in the year	(939)	(48,379)
Cash outflow from decrease in debt and lease financing	73,659	(1,784,001)
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	72,720	(1,832,380)
New finance lease	(128,435)	(75,382)
MOVEMENT IN NET DEBT IN THE YEAR	(55,715)	(1,907,762)
Net debt at 1 August 2013	(4,439,979)	(2,532,217)
NET DEBT AT 31 JULY 2014	(4,495,694)	(4,439,979)

The notes on pages 10 to 21 form part of these financial statements.

BABINGTON BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The classification of expenses has been changed in the year to reflect more accurately the trading activities of the group. Items which were previously classified as administrative expenses have now been included in cost of sales. The prior year figures have been restated to present them on the same basis as the current year figures. This change has had no impact on the results of the group.

1.2 Going concern

The group made a profit of £277,434 for the year (2013: Loss of £11,667). At 31 July 2014, the company and the group had net liabilities of £1,407,872 and £127,468 respectively (2013: £877,925 and £404,920 net liabilities respectively.)

In preparing the financial statements, the directors have taken into account the ongoing undertaking from its ultimate parent company to continue to provide financial support to enable the company to continue its operations for the foreseeable future. Accordingly, the directors believe the going concern assumption to be appropriate.

1.3 Basis of consolidation

The financial statements consolidate the accounts of Babington Business Limited and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

1.4 Turnover

Turnover comprises net invoiced sales of training and educational services receivable for the year, net of value added tax where appropriate.

Revenue is recognised when services have been provided and the contract conditions have been met in relation to these services.

1.5 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill	-	5% straight line
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BABINGTON BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold improvements	-	10% straight line
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

1.7 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.8 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.9 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.10 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.12 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

BABINGTON BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

1. ACCOUNTING POLICIES (continued)

1.13 Grants

Grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

2. TURNOVER

All turnover arose within the United Kingdom.

3. OTHER OPERATING INCOME

	2014 £	2013 £
Grants receivable	-	7,098

4. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £	2013 £
Amortisation - intangible fixed assets	180,254	180,254
Depreciation of tangible fixed assets:		
- owned by the group	107,701	158,039
- held under finance leases	50,245	29,743
Auditors' remuneration	8,422	7,850
Operating lease rentals:		
- other operating leases	504,892	381,213
Administration exceptional	-	173,493

Exceptional administrative expenses includes one off costs of developing ecommerce (2013: one off payroll costs, implementing efficiencies and refinancing costs)

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	4,782,508	3,450,870
Social security costs	417,545	286,862
Other pension costs	40,015	12,382

BABINGTON BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

5. STAFF COSTS (continued)

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

	2014	2013
	No.	No.
Management and operations	233	190

6. DIRECTORS' REMUNERATION

	2014	2013
	£	£
Aggregate emoluments	256,559	277,699
Pension contributions	17,283	-
Compensation for loss of office	-	25,067
Total	273,842	302,766

During the year retirement benefits were accruing to three directors (2013: nil) in respect of defined contribution pension schemes.

During the year, the highest paid director received emoluments of £120,331 and pension contributions of £7,588.

7. INTEREST PAYABLE

	2014	2013
	£	£
On bank loans and overdrafts	1,069	4,133
On other loans	529,947	524,739
On finance leases and hire purchase contracts	12,341	9,966
	543,357	538,838

8. TAXATION

	2014	2013
	£	£
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	92,827	49,888
Deferred tax		
Origination and reversal of timing differences	43,157	1,856
Effect of increased tax rate on opening liability	(11,117)	-
Total deferred tax (see note 16)	32,040	1,856
Tax on profit on ordinary activities	124,867	51,744

BABINGTON BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

8. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 22.33% (2013 - 23.67%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>402,256</u>	<u>40,077</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.33% (2013 - 23.67%)	89,824	9,486
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	40,296	42,654
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6,397	8,301
Capital allowances for year in excess of depreciation	(43,653)	(10,553)
Short term timing difference leading to an increase (decrease) in taxation	496	-
Marginal relief	(533)	-
Current tax charge for the year (see note above)	<u><u>92,827</u></u>	<u><u>49,888</u></u>

Factors that may affect future tax charges

Babington Business Limited has corporation tax losses of approximately £241,000 available for offset against future taxable profit arising in that company.

9. INTANGIBLE FIXED ASSETS

	Goodwill £
Group	
Cost	
At 1 August 2013 and 31 July 2014	<u>3,605,095</u>
Amortisation	
At 1 August 2013	432,170
Charge for the year	180,254
At 31 July 2014	<u>612,424</u>
Net book value	
At 31 July 2014	<u><u>2,992,671</u></u>
At 31 July 2013	<u><u>3,172,925</u></u>

BABINGTON BUSINESS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014**

10. TANGIBLE FIXED ASSETS

Group	Leasehold Property Improvmt £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 August 2013	283,132	14,039	657,028	555,209	1,509,408
Additions	33,042	-	17,019	267,504	317,565
Disposals	-	(14,039)	(35,102)	(5,250)	(54,391)
At 31 July 2014	<u>316,174</u>	<u>-</u>	<u>638,945</u>	<u>817,463</u>	<u>1,772,582</u>
Depreciation					
At 1 August 2013	137,826	5,485	530,618	368,178	1,042,107
Charge for the year	29,319	1,961	39,410	87,256	157,946
On disposals	-	(7,446)	(33,106)	(4,772)	(45,324)
At 31 July 2014	<u>167,145</u>	<u>-</u>	<u>536,922</u>	<u>450,662</u>	<u>1,154,729</u>
Net book value					
At 31 July 2014	<u>149,029</u>	<u>-</u>	<u>102,023</u>	<u>366,801</u>	<u>617,853</u>
At 31 July 2013	<u>145,306</u>	<u>8,554</u>	<u>126,410</u>	<u>187,031</u>	<u>467,301</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Group	2014 £	2013 £
Computer equipment	<u>140,063</u>	<u>61,874</u>

11. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2013 and 31 July 2014	<u>4,916,948</u>
Net book value	
At 31 July 2014	<u>4,916,948</u>
At 31 July 2013	<u>4,916,948</u>

Details of the principal subsidiaries can be found under note number 26.

BABINGTON BUSINESS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014**

12. STOCKS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Consumables	6,386	3,519	-	-

13. DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	1,190,631	646,740	-	-
Other debtors	460,050	55,672	-	-
Prepayments and accrued income	370,848	627,277	16,000	16,000
	2,021,529	1,329,689	16,000	16,000

**14. CREDITORS:
Amounts falling due within one year**

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	63,431	39,367	-	-
Trade creditors	468,691	312,614	-	-
Amounts owed to group undertakings	-	-	1,472,912	942,965
Corporation tax	142,714	49,887	-	-
Other taxation and social security	264,611	97,511	-	-
Other creditors	121,653	130,628	-	-
Accruals and deferred income	227,888	335,056	108,441	108,441
	1,288,988	965,063	1,581,353	1,051,406

The above includes £63,431 (2013: £39,367) due under finance lease agreements which are secured on assets to which they relate.

BABINGTON BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

15. CREDITORS: Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Other loans	4,759,467	4,759,467	4,759,467	4,759,467
Net obligations under finance leases and hire purchase contracts	74,091	43,379	-	-
	<u>4,833,558</u>	<u>4,802,846</u>	<u>4,759,467</u>	<u>4,759,467</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Between one and five years	74,091	43,379	-	-

£1,800,000 of the loan incurs interest at 13% per annum. The balance of the loans incur interest at 10% per annum. £1,800,000 is due for repayment in full on 3 August 2017. The balance of the loans are repayable in full on 27 November 2016.

The above includes £74,091(2013: £43,379) due under finance lease agreements which are secured on the assets to which they relate.

16. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
At beginning of year	12,661	-	-	-
Charge for the year (P&L)	32,040	1,856	-	-
On acquisition	-	10,805	-	-
At end of year	<u>44,701</u>	<u>12,661</u>	<u>-</u>	<u>-</u>

The provision for deferred taxation is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Accelerated capital allowances	45,243	12,661	-	-
Short term timing differences	(542)	-	-	-
	<u>44,701</u>	<u>12,661</u>	<u>-</u>	<u>-</u>

BABINGTON BUSINESS LIMITED

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17. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
112,500 Ordinary A shares shares of £1 each	112,500	112,500
262,500 Ordinary B shares shares of £1 each	262,500	262,500
	<u>375,000</u>	<u>375,000</u>

18. RESERVES

Group	Profit and loss account £
At 1 August 2013	(779,902)
Profit for the financial year	277,389
	<u>(502,513)</u>
At 31 July 2014	
Company	Profit and loss account £
At 1 August 2013	(1,252,925)
Loss for the financial year	(529,947)
	<u>(1,782,872)</u>
At 31 July 2014	

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

Group	2014 £	2013 £
Opening shareholders' deficit	(404,902)	(393,235)
Profit/(loss) for the financial year	277,389	(11,667)
	<u>(127,513)</u>	<u>(404,902)</u>
Closing shareholders' deficit		
Company	2014 £	2013 £
Opening shareholders' deficit	(877,925)	(353,187)
Loss for the financial year	(529,947)	(524,738)
	<u>(1,407,872)</u>	<u>(877,925)</u>
Closing shareholders' deficit		

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The loss for the year dealt with in the accounts of the company was £529,947 (2013 - £524,738).

BABINGTON BUSINESS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014**

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	945,580	578,583
Amortisation of intangible fixed assets	180,254	180,254
Depreciation of tangible fixed assets	157,946	187,782
Loss on disposal of tangible fixed assets	1,984	568
Increase in stocks	(2,867)	(686)
Increase in debtors	(694,230)	(382,916)
Increase in creditors	207,035	79,422
Net cash inflow from operating activities	795,702	643,007

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	33	332
Interest paid	(531,016)	(528,871)
Hire purchase interest	(12,341)	(9,966)
Net cash outflow from returns on investments and servicing of finance	(543,324)	(538,505)

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(189,130)	(116,194)
Sale of tangible fixed assets	7,082	1,000
Net cash outflow from capital expenditure	(182,048)	(115,194)

	2014 £	2013 £
Acquisitions and disposals		
Purchase of fixed asset investments	-	(2,087,857)
Cash acquired on acquisition of subsidiary	-	373,494
Expenses of acquisition	-	(107,325)
Net cash from acquisitions and disposals	-	(1,821,688)

	2014 £	2013 £
Financing		
Other new loans	-	1,821,849
Repayment of finance leases	(73,659)	(37,848)
Net cash (outflow)/inflow from financing	(73,659)	1,784,001

BABINGTON BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

22. ANALYSIS OF CHANGES IN NET DEBT

	1 August 2013 £	Cash flow £	Other non-cash changes £	31 July 2014 £
Cash at bank and in hand	402,234	(939)	-	401,295
Debt:				
Finance leases	(82,746)	73,659	(128,435)	(137,522)
Debts falling due after more than one year	(4,759,467)	-	-	(4,759,467)
Net debt	(4,439,979)	72,720	(128,435)	(4,495,694)

23. OPERATING LEASE COMMITMENTS

At 31 July 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
Group	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within 1 year	180,800	13,000	-	-
Between 2 and 5 years	182,645	223,000	31,622	31,622
After more than 5 years	70,000	107,500	-	-

24. RELATED PARTY TRANSACTIONS

During the year, interest payable by the group to Bridges Community Ventures Nominees Limited, the immediate parent undertaking, totalled £529,947 (2013 £524,738). The outstanding interest at 31 July 2014 is £108,441 (2013; £108,441). The outstanding loan due to Bridges Community Ventures Nominees Limited at 31 July 2014 was £4,759,467 (2013: £4,759,467),

During the year, the group also paid £21,737 for provision of training and conference venue and facilities to an enterprise in which a director, Martin Ridgeway has an interest, There was a balance of £1,050 outstanding at the year end.

25. CONTROLLING PARTY

The immediate parent undertaking is Bridges Community Ventures Nominees Limited, which is registered in England and Wales and operates in Great Britain. Copies of the financial statements of the parent company can be obtained from 1 Craven Hill, London, W2 3EN. The ultimate parent undertaking is Bridges Ventures LLP by virtue of their controlling interest in Bridges Community Ventures Nominees Limited.

The directors consider there to be no ultimate controlling party by virtue of there being no majority member within the ultimate parent entity, Bridges Ventures LLP.

BABINGTON BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

26. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Babington Business College Limited	UK	100	Trading as a business college
Michael John Training Limited	UK	100	Provision of educational services