

Registration number: 04422774

RTC Education Limited

Annual Report and Financial Statements

for the Year Ended 31 July 2018

Cameron & Associates Limited
35-37 Lowlands Road
Harrow-on-the-Hill
Middlesex
HA1 3AW

RTC Education Limited

Contents

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 7
Profit and Loss Account	8
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 to 19
Detailed Profit and Loss Account	20 to 22

RTC Education Limited

Company Information

Directors	Mr S Pankayachelvan Mrs T Pankayachelvan
Registered office	167 Imperial Drive Harrow Middlesex HA2 7JP
Auditors	Cameron & Associates Limited 35-37 Lowlands Road Harrow-on-the-Hill Middlesex HA1 3AW

RTC Education Limited

Strategic Report for the Year Ended 31 July 2018

The directors present their strategic report for the year ended 31 July 2018.

Principal activity

The principal activity of the company is the provision of educational services ranging from nursery services to independent school, sixth form, further and higher education.

Fair review of the business

Turnover has increased like for like basis at 30% from 2017 to 2018. Administrative expenses have also increased by 28%, however, this is 2% less than it did in 2017. Operating profit has also increased like for like basis by 34% from 2017 to 2018. Overall, the net profit after taxation stands at 14%, and before taxation, it stands at 17%. The adjusted EBIT stands at 22%.

RTC Education Ltd now has five campuses, four of which, Rayners Lane, Wembley, Southall, and Kingsbury are physical campuses, and the fifth being a virtual campus. These campuses are supported by the Regent Group Head Quarters, mainly based at our Heights office, including Technology, HR, Sales, Recruitment & Marketing, Facilities & Estates and Finance.

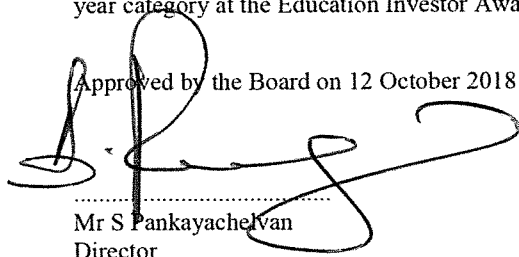
The company continues to enjoy stable organic growth. Its main area of growth is via its university partnerships. Over the course of the past twelve months, the company has formed partnerships with Buckinghamshire New University and Northampton University; the former launched in February 2018 and the latter is launching in October 2018. Two other university partnerships, one with the University of Bolton, and one with Bishop Grosseteste University, are in the due diligence stages and we anticipate that these will both launch in January 2019. These partnerships will be supported by the recent introduction of the post-18 Education board which includes some very reputable individuals both within, and outside of, the education sector.

Significant achievements in the past year have been the achievement of a QAA Commendable rating, the achievement of a TEF Silver rating and a 90% student satisfaction score for our higher education division.

The company has also introduced a revolutionary programme, Thinking into Character, aimed at young people, designed to build confidence and establish the necessary thought patterns to identify and achieve life goals. This programme can be deployed across schools, universities, youth centres and similar, across the UK and will be delivered via the Regent Virtual Campus.

The company also launched Regent Learning Centre Southall, bringing its portfolio of centres to three and Regent Nursery Southall, our second nursery. Regent Group is a finalist in the Private Education Group of the year category at the Education Investor Awards.

Approved by the Board on 12 October 2018 and signed on its behalf by:



.....
Mr S Pankayachelvan
Director

RTC Education Limited

Directors' Report for the Year Ended 31 July 2018

The directors present their report and the financial statements for the year ended 31 July 2018.

Directors of the company

The directors who held office during the year were as follows:

Mr S Pankayachelvan

Mrs T Pankayachelvan

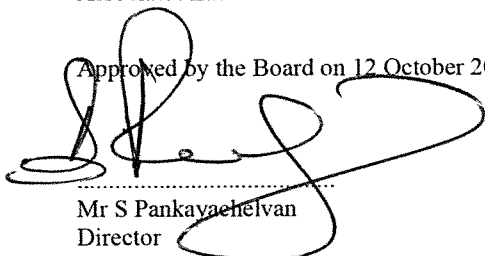
Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Cameron & Associates Limited as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 12 October 2018 and signed on its behalf by:



Mr S Pankayachelvan
Director

RTC Education Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 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 company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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; 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.

RTC Education Limited

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

Opinion

We have audited the financial statements of RTC Education Limited (the 'company') for the year ended 31 July 2018, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

RTC Education Limited

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

RTC Education Limited

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Rajinder Basra (Senior Statutory Auditor)

For and on behalf of Cameron & Associates Limited, Statutory Auditor

35-37 Lowlands Road
Harrow-on-the-Hill
Middlesex
HA1 3AW

12 October 2018

RTC Education Limited

Profit and Loss Account for the Year Ended 31 July 2018

	Note	2018 £	2017 £
Turnover	3	9,379,036	9,662,644
Administrative expenses		(8,033,749)	(8,315,464)
Other operating income	4	<u>94,451</u>	<u>-</u>
Operating profit	5	<u>1,439,738</u>	<u>1,347,180</u>
Other interest receivable and similar income	6	<u>105,186</u>	<u>104,247</u>
		<u>105,186</u>	<u>104,247</u>
Profit before tax		1,544,924	1,451,427
Taxation	10	<u>(271,838)</u>	<u>(285,586)</u>
Profit for the financial year		<u>1,273,086</u>	<u>1,165,841</u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

RTC Education Limited

Statement of Comprehensive Income for the Year Ended 31 July 2018

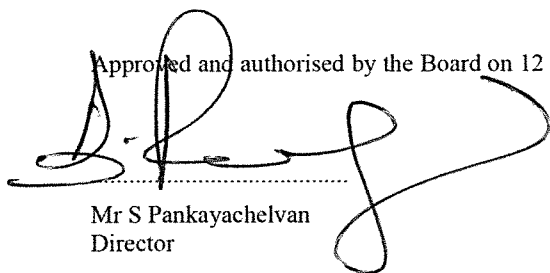
	2018	2017
	£	£
Profit for the year	<u>1,273,086</u>	<u>1,165,841</u>
Total comprehensive income for the year	<u><u>1,273,086</u></u>	<u><u>1,165,841</u></u>

RTC Education Limited

**(Registration number: 04422774)
Balance Sheet as at 31 July 2018**

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	349,457	133,703
Current assets			
Debtors	12	3,782,447	2,667,598
Cash at bank and in hand		<u>2,281,935</u>	<u>2,176,137</u>
		6,064,382	4,843,735
Creditors: Amounts falling due within one year	14	<u>(759,244)</u>	<u>(393,929)</u>
Net current assets		<u>5,305,138</u>	<u>4,449,806</u>
Total assets less current liabilities		5,654,595	4,583,509
Provisions for liabilities		<u>(16,555)</u>	<u>(16,555)</u>
Net assets		<u>5,638,040</u>	<u>4,566,954</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account		<u>5,637,940</u>	<u>4,566,854</u>
Total equity		<u>5,638,040</u>	<u>4,566,954</u>

Approved and authorised by the Board on 12 October 2018 and signed on its behalf by:



Mr S Pankayachelvan
Director

RTC Education Limited

Statement of Cash Flows for the Year Ended 31 July 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Profit for the year		1,273,086	1,165,841
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	113,135	58,649
Finance income	6	(105,186)	(104,247)
Income tax expense	10	271,838	285,586
		<u>1,552,873</u>	<u>1,405,829</u>
Working capital adjustments			
Increase in trade debtors	12	(1,114,849)	(479,061)
Increase/(decrease) in trade creditors	14	367,353	(82,478)
Cash generated from operations		805,377	844,290
Income taxes paid	10	(273,876)	(153,850)
Net cash flow from operating activities		<u>531,501</u>	<u>690,440</u>
Cash flows from investing activities			
Interest received	6	105,186	104,247
Acquisitions of tangible assets		<u>(328,889)</u>	<u>(145,011)</u>
Net cash flows from investing activities		(223,703)	(40,764)
Cash flows from financing activities			
Dividends paid	18	<u>(202,000)</u>	<u>(250,000)</u>
Net increase in cash and cash equivalents		105,798	399,676
Cash and cash equivalents at 1 August		<u>2,176,137</u>	<u>1,776,461</u>
Cash and cash equivalents at 31 July		<u><u>2,281,935</u></u>	<u><u>2,176,137</u></u>

The notes on pages 12 to 19 form an integral part of these financial statements.

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

1 General information

The company is a private company limited by share capital, incorporated in England .

The address of its registered office is:

167 Imperial Drive

Harrow

Middlesex

HA2 7JP

These financial statements were authorised for issue by the Board on 12 October 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The current accounting period comprises of sixteen months. The period was changed in order to aid the accounting for fees receivable which are principally accounted for in the academic year ending August. As a result the comparative amounts presented in the financial statements (including the relevant notes) are not entirely comparable.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	25% on a reducing balance
Leasehold premises	Depreciated over 8 years of its leased term on a straight line basis

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	Year ended 31 July 2018	1 April 2016 to 31 July 2017
	£	£
Rendering of services	<u>9,379,036</u>	<u>9,662,644</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	Year ended 31 July 2018	1 April 2016 to 31 July 2017
	£	£
Recharged costs	<u>94,451</u>	<u>-</u>

5 Operating profit

Arrived at after charging/(crediting)

	2018	2017
	£	£
Depreciation expense	<u>113,135</u>	<u>58,649</u>

6 Other interest receivable and similar income

	Year ended 31 July 2018	1 April 2016 to 31 July 2017
	£	£
Other finance income	<u>105,186</u>	<u>104,247</u>

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	Year ended 31 July 2018	1 April 2016 to 31 July 2017
	£	£
Wages and salaries	3,585,336	3,087,631
Pension costs, defined contribution scheme	26,584	108,946
Other employee expense	255,559	619,405
	<u>3,867,479</u>	<u>3,815,982</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2018 No.	2017 No.
Administration and support	<u>108</u>	<u>76</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	Year ended 31 July 2018	1 April 2016 to 31 July 2017
	£	£
Remuneration	210,000	266,666
Pension contributions	-	80,000
	<u>210,000</u>	<u>346,666</u>

9 Auditors' remuneration

	Year ended 31 July 2018	1 April 2016 to 31 July 2017
	£	£
Audit of the financial statements	<u>14,500</u>	<u>14,310</u>

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

10 Taxation

Tax charged/(credited) in the income statement

	Year ended 31 July 2018	1 April 2016 to 31 July 2017
	£	£
Current taxation		
UK corporation tax	271,838	272,436
Deferred taxation		
Arising from origination and reversal of timing differences	-	13,150
Tax expense in the income statement	<u>271,838</u>	<u>285,586</u>

11 Tangible assets

	Land and buildings	Furniture, fittings and equipment	Total
	£	£	£
Cost or valuation			
At 1 August 2017	25,000	328,573	353,573
Additions	-	328,889	328,889
At 31 July 2018	<u>25,000</u>	<u>657,462</u>	<u>682,462</u>
Depreciation			
At 1 August 2017	2,865	217,005	219,870
Charge for the year	3,125	110,010	113,135
At 31 July 2018	<u>5,990</u>	<u>327,015</u>	<u>333,005</u>
Carrying amount			
At 31 July 2018	<u>19,010</u>	<u>330,447</u>	<u>349,457</u>
At 31 July 2017	<u>22,135</u>	<u>111,568</u>	<u>133,703</u>

Included within the net book value of land and buildings above is £19,010 (2017 - £22,135) in respect of short leasehold land and buildings.

12 Debtors

	31 July 2018	31 July 2017
	£	£
Trade debtors	520,878	623,331
Other debtors	3,020,177	1,935,213
Prepayments	241,392	109,054
Total current trade and other debtors	<u>3,782,447</u>	<u>2,667,598</u>

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

Other debtors

Included within other debtors above is a funding to a Director of £300,000 (2017: £NIL), for the set up of the CEO office, which was repaid after the year-end.

13 Cash and cash equivalents

	31 July 2018	31 July 2017
	£	£
Cash at bank	<u>2,281,935</u>	<u>2,176,137</u>

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

14 Creditors

	Note	31 July 2018 £	31 July 2017 £
Due within one year			
Trade creditors		186,486	15,622
Director's current account	19	358	-
Social security and other taxes		25,582	-
Other payables		10,404	71,041
Accrued expenses		266,502	35,316
Corporation tax liability	10	<u>269,912</u>	<u>271,950</u>
		<u>759,244</u>	<u>393,929</u>

15 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £26,584 (2017 - £108,946).

16 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

17 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	608,400	565,425
Later than one year and not later than five years	2,352,000	2,039,075
Later than five years	<u>603,833</u>	<u>2,296,667</u>
	<u>3,564,233</u>	<u>4,901,167</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £836,390 (2017 - £919,780).

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2018

18 Dividends

	2018	2017
	£	£
Interim dividend of £2,020.00 (2017 - £2,500.00) per ordinary share	202,000	250,000

19 Related party transactions

Regent House, 167-173 Imperial Drive, Middlesex HA2 7JP is owned by the Directors. Rentals of £40,000 were paid to them during the year (2017: £186,667).

Nursery House, 459 Rayners Lane, Middlesex HA5 5ET is owned by the Directors. Rentals of £20,000 (2017: £26,667) were paid to them were paid during the year.

During the year the Company paid management fees of £90,000 (2017 £Nil), and a further loan of £33,322 to SPRO Ltd, a UK resident company under common control. Interest of £2,887 (2017: £5,451) was charged during the year. At the year-end, a balance of £135,160 (2017: £188,952) was owed to the Company.

During the financial period, a further loan of £171,007 (2017: £76,265) was made to Regent House Ltd, a UK resident company under common control. Interest of £2,657 (2017: £2,657) was charged during the year. At the year-end, a balance of £261,971 (2017: £78,921) was owed to the Company.

During the financial period, a further loan of £128,284 (2017: £66,109) was made to Regent Education Ltd, a UK resident company under common control. Interest of £6,291 (2017: £NIL) was charged during the year. At the year-end, a balance of £295,134 (2017: £66,109) was owed to the Company.

A further loan of £235,406 (2017: £44,754) was made to FP(GB) Ltd, a UK resident company under common control. Interest of £81,084 (2017: £94,911) was charged during the year. At the year end, a balance of £1,886,565 (2017: £1,550,074) was owed to the Company.

RTC Education Limited

Detailed Profit and Loss Account for the Year Ended 31 July 2018

	Year ended 31 July 2018 £	1 April 2016 to 31 July 2017 £
Turnover	<u>9,379,036</u>	<u>9,662,644</u>
Administrative expenses		
Employment costs	(4,987,471)	(5,169,002)
Establishment costs	(1,103,071)	(1,203,767)
General administrative expenses	(1,809,744)	(1,863,968)
Finance charges	(20,328)	(20,078)
Depreciation costs	<u>(113,135)</u>	<u>(58,649)</u>
	(8,033,749)	(8,315,464)
Other operating income	<u>94,451</u>	<u>-</u>
Operating profit	1,439,738	1,347,180
Other interest receivable and similar income	<u>105,186</u>	<u>104,247</u>
Profit before tax	<u>1,544,924</u>	<u>1,451,427</u>

RTC Education Limited

Detailed Profit and Loss Account for the Year Ended 31 July 2018

	2018 £	2017 £
Turnover		
Rendering of services, UK	<u>9,379,036</u>	<u>9,662,644</u>
Employment costs		
Wages and salaries (excluding directors)	3,375,070	2,820,965
Directors remuneration	210,000	266,666
Staff pensions	26,584	28,946
Directors pensions	-	80,000
Subcontract costs	1,119,992	1,353,020
Childcare expenses	266	-
Recruitment - CRB	67,516	408,442
Travel & subsistence	<u>188,043</u>	<u>210,963</u>
	<u>(4,987,471)</u>	<u>(5,169,002)</u>
Establishment costs		
Rent	836,390	919,780
Water rates	5,234	4,452
Light & heat	76,118	91,966
Insurance	25,162	31,530
Fire & security costs	10,870	9,170
Repairs & maintenance	99,625	100,498
Cleaning	44,395	43,521
Premises expenses	<u>5,277</u>	<u>2,850</u>
	<u>(1,103,071)</u>	<u>(1,203,767)</u>
General administrative expenses		
Telephone and fax	63,807	63,831
Course & field fees	60,289	53,950
Computer software & maintenance costs	123,775	133,983
Software updates	87,072	75,403
Postage	5,494	5,265
Printing & stationery	39,649	71,556
Books	38,980	8,120
Exam boards	213,600	259,843
Charitable donations	45,030	404
Sports expenses	6,607	5,839
Sundry expenses	1,174	3,368
Lab & art room expenses	9,043	11,503
Advertising	316,068	340,805
Compensation cost	-	10,000
Accountancy fees	6,220	13,958
Auditor's remuneration	14,500	14,310
Consultancy fees	417,182	667,732

This page does not form part of the statutory financial statements.

RTC Education Limited

Detailed Profit and Loss Account for the Year Ended 31 July 2018

	2018 £	2017 £
Legal and professional fees	211,254	124,098
Management fees	150,000	-
	<u>(1,809,744)</u>	<u>(1,863,968)</u>
Finance charges		
Bank charges	<u>(20,328)</u>	<u>(20,078)</u>
Depreciation costs		
Depreciation of short leasehold property	3,125	2,865
Depreciation of tangible fixed assets	110,010	55,784
	<u>(113,135)</u>	<u>(58,649)</u>
Other operating income		
Cost recharge	<u>94,451</u>	<u>-</u>
Other interest receivable and similar income		
Other interest receivable	<u>105,186</u>	<u>104,247</u>