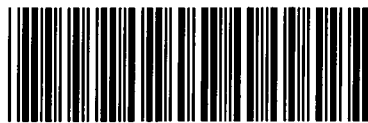


COMPANY REGISTRATION NUMBER: 08181000

Columbus Midco Limited
Financial Statements
31 December 2017

FRIDAY



A7DHZ694

A18

31/08/2018

#422

COMPANIES HOUSE

Columbus Midco Limited

Financial Statements

Year ended 31 December 2017

Contents	Page
Officers and Professional Advisers	1
Strategic Report	2
Directors' Report	3
Independent Auditors' Report	5
Statement of Income and Retained Earnings	9
Statement of Financial Position	10
Notes to the Financial Statements	11

Columbus Midco Limited

Officers and Professional Advisers

THE BOARD OF DIRECTORS

C Light
L M Haycox
W S Mills
A H M Kelsey (Non-Executive Director)
R C W Hicks

REGISTERED OFFICE

74 North Street
Guildford
Surrey
GU1 4AW

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered accountants & statutory auditors
3 Forbury Place
23 Forbury Road
Reading
Berkshire
RG1 3JH

Columbus Midco Limited

Strategic Report

Year ended 31 December 2017

The directors present their strategic report for the year ended 31 December 2017.

Principal Activities

The principal activity of the company during the year was that of a holding company.

Review of the Business

At the end of the year the Company made a loss before taxation of £2,602k (2016: £2,405k), which primarily reflected the accrued interest payable on the loan notes.

The directors consider there to be no key performance indicators relevant to the Company.

Principal Risks and Uncertainties

The main risks arising from the financial assets and liabilities of the Company are liquidity risk, and cash flow risk, collectively financial risk. The board manages financial risks by ensuring that there are sufficient funds to meet liabilities by producing detailed monthly management accounts and forecasts, which include a cashflow forecast and covenant compliance forecasts.

The main risks arising from the financial assets and liabilities are explained in the Directors' Report under 'Financial Risk Management'.

This report was approved by the board of directors on **28/06/18** and signed on behalf of the board by:



C Light
Director

Columbus Midco Limited

Directors' Report

Year ended 31 December 2017

The directors present their report and the audited financial statements of the company for the year ended 31 December 2017.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

C Light
W S Mills
A H M Kelsey (Non-Executive Director)
R C W Hicks
L M Haycox

Dividends

The directors do not recommend the payment of a dividend (2016: £nil).

Future Developments

The Company is expected to continue as a holding company for the foreseeable future.

Qualifying Indemnity Provision

The Company has granted indemnity to its directors against liability in respect of proceedings brought by third parties, subject to conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and is in force as at the date of approving the Directors' report.

Going Concern

The Company has received a continuing letter of support from Columbus Topco Limited, its ultimate parent company, and, as a result, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Financial Risk Management

The Company is exposed in varying degrees to financial risks from liquidity risk and cash flow risk. The Board is confident that the exposure to each of these risks is properly managed to limit the possible adverse impact on the financial performance of the Company.

The directors consider the financial risks that face the company to be as follows:

Liquidity risk

The Group actively manages its finances to ensure that it has sufficient available funds for its operations. The Group has a structure in place to monitor the best financing structure for the company and periodically review its strategies. The Company has adequate liquidity through investor loan notes and inter company borrowings.

Cash flow risk

The Company's cash flow risk is minimised by the structure of the Groups operations.

These risks and management practices are consistent with those in the previous year.

Columbus Midco Limited

Directors' Report *(continued)*

Year ended 31 December 2017

Statement of Directors' Responsibilities in Respect of the Financial Statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standards applicable in the UK and Republic of Ireland, 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 profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

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

This report was approved by the board of directors on **28/06/18** and signed on behalf of the board by:



C Light
Director

Independent auditors' report to the members of Columbus Midco Limited

Report on the audit of the financial statements

Opinion

In our opinion, Columbus Midco Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2017; the Statement of Income and Retained Earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

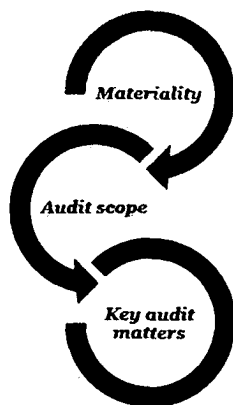
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview



- Overall materiality: £230,000 (2016: £220,000), equivalent to 0.9% of total assets.
 - We performed a full scope audit of Columbus Midco Limited
 - All audit procedures were performed in one location, the registered office of Columbus Midco Limited
 - We have no key audit matters to report.
-

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Independent auditors' report to the members of Columbus Midco Limited (continued)

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We determined that there were no key audit matters applicable to the company to communicate in our report.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

Columbus Midco Limited is an intermediate holding company within the group of companies for which Columbus Topco Limited is the parent undertaking. Columbus Midco Limited holds debt which is listed on The International Stock Exchange.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£230,000 (2016: £220,000).
How we determined it	0.9% of total assets.
Rationale for benchmark applied	We believe that total assets is the primary measure used by the shareholders in assessing the performance and position of the entity and reflects Columbus Midco Limited's principal activity as a holding company.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £11,500 (2016: £11,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether

Independent auditors' report to the members of Columbus Midco Limited (continued)

there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

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 year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

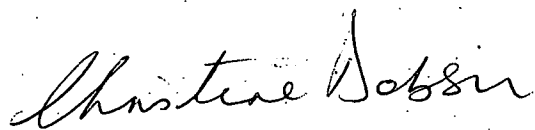
Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

***Independent auditors' report to the members of
Columbus Midco Limited (continued)***



Christine Dobson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

28 June 2018

Columbus Midco Limited

Statement of Income and Retained Earnings

Year ended 31 December 2017

	Note	2017 £000	2016 £000
Administrative expenses		<u>(7)</u>	<u>(3)</u>
OPERATING LOSS	4	<u>(7)</u>	<u>(3)</u>
Interest payable and similar expenses	5	<u>(2,595)</u>	<u>(2,402)</u>
LOSS BEFORE TAXATION		<u>(2,602)</u>	<u>(2,405)</u>
Tax on loss	6	<u>19</u>	<u>288</u>
LOSS FOR THE FINANCIAL YEAR		<u>(2,583)</u>	<u>(2,117)</u>
RETAINED LOSSES AT THE START OF THE YEAR		<u>(9,161)</u>	<u>(7,044)</u>
RETAINED LOSSES AT THE END OF THE YEAR		<u>(11,744)</u>	<u>(9,161)</u>

All the activities of the company are from continuing operations.

The notes on pages 11 to 17 form part of these financial statements.

Columbus Midco Limited

Statement of Financial Position

As at 31 December 2017

	Note	2017 £000	2016 £000
FIXED ASSETS			
Investments	7	25,330	25,330
CURRENT ASSETS			
Debtors	8	368	356
CREDITORS: amounts falling due within one year	9	(3,051)	(3,051)
NET CURRENT LIABILITIES		<u>(2,683)</u>	<u>(2,695)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		22,647	22,635
CREDITORS: amounts falling due after more than one year	10	(34,391)	(31,796)
NET LIABILITIES		<u>(11,744)</u>	<u>(9,161)</u>
CAPITAL AND RESERVES			
Called up share capital	11	-	-
Retained earnings	12	(11,744)	(9,161)
MEMBERS DEFICIT		<u>(11,744)</u>	<u>(9,161)</u>

The notes on pages 11 to 17 form part of these financial statements.

These financial statements on pages 9 to 17 were approved by the board of directors on and signed on its behalf by:

28/06/18



C Light
Director

Company registration number: 08181000

The notes on pages 11 to 17 form part of these financial statements.

Columbus Midco Limited

Notes to the Financial Statements

Year ended 31 December 2017

1. GENERAL INFORMATION

Columbus Midco Limited ("the Company") is a limited company domiciled and incorporated in United Kingdom. The company is a private company limited by shares. The address of the company's registered office and principal place of business is 74 North Street, Guildford, Surrey, GU1 4AW. The principal activity of the company during the year was that of a holding company.

2. STATEMENT OF COMPLIANCE

The individual financial statements of Columbus Midco Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. ACCOUNTING POLICIES

Principal Accounting Policies Statement

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.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed further below.

Functional and presentational currency

The financial statements are presented in pounds sterling which is the company's functional currency. All amounts are rounded to the nearest thousand unless indicated otherwise.

Going concern

After reviewing the Company's result and following the support letter it has received from the Company's ultimate parent undertaking, Columbus Topco Limited, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State.

Columbus Midco Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. ACCOUNTING POLICIES *(continued)*

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Columbus Topco Limited which can be obtained from their registered office as detailed in note 14. As such, advantage has been taken of the following disclosure exemptions available under FRS 102:

- (a) A reconciliation in respect of each class of share capital have not been presented [FRS 102 para 4.12(a)(iv)];
- (b) No cash flow statement has been presented for the company [FRS 102 para 3.17(d)];
- (c) Certain disclosures in respect of financial instruments have not been presented [FRS 102 paras 11.39-11.48A, 12.26-12.29];
- (d) No disclosure has been given for the aggregate remuneration of key management personnel [FRS 102 para 33.7]; and
- (e) No disclosure in respect of related party transactions [FRS 102 para 33.1A];

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements and accounting estimates that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Impairment reviews

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of an asset can be supported by its recoverable amount. In calculating an assets recoverable amount, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of: future cash flows derived from such assets using cash flow projections, expectations about possible variations in the amount or timing of those future cash flows and other factors such as changes in market interest rates and significant adverse changes in the technological, market, economic or legal environment in which the entity and group operates.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Columbus Midco Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. ACCOUNTING POLICIES *(continued)*

Investments

Investments held as fixed assets are stated at cost less any provision for impairment. Impairment reviews are performed by the directors where there has been an indication of potential impairment. Intercompany balances are classified according to the substance of the transaction, rather than the legal form.

Financial instruments

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial liabilities

Basic financial liabilities, including trade and other payables and provisions for liabilities, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Transaction fees are spread over the life of the loan to the extent that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Finance costs

Finance costs are charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4. OPERATING LOSS

Directors remuneration

During the year there were 5 (2016: 5) directors being remunerated by the Group, negligible amounts relate to their service to Columbus Midco.

Directors emoluments of £897k (2016: £744k) were borne by Explore Learning Limited in relation to services to the Group. Group contributions to money purchase pensions were £37k (2016: £110k).

The total amount payable to the highest paid director in respect of emoluments was £352k (2016: £244k). Group pension contributions of £nil (2016: £71k) were made to a money purchase scheme on their behalf.

Columbus Midco Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

4. OPERATING LOSS *(continued)*

Staff costs and average numbers

During the year there were no employees (2016: nil).

Auditors' remuneration

The auditors' remuneration was borne by a fellow group company during the year. Fees payable to the company auditors for auditing the company's annual financial statements are £585 (2016: £568).

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017 £000	2016 £000
Loan note interest	<u>2,595</u>	<u>2,402</u>

6. TAX ON LOSS

	2017 £000	2016 £000
Current tax:		
UK current tax income	(26)	(47)
Adjustments in respect of prior periods	<u>7</u>	<u>(241)</u>
Tax on loss	<u>(19)</u>	<u>(288)</u>

Reconciliation of tax income

The tax assessed on the loss for the year is higher than (2016: the same as) the standard rate of corporation tax in the UK of 19.25% (2016: 20%).

	2017 £000	2016 £000
Loss before taxation	<u>(2,602)</u>	<u>(2,405)</u>
Loss by rate of tax	(501)	(481)
Effect of expenses not deductible for tax purposes	334	169
Adjustments in respect of prior periods	7	(241)
Deferred tax not recognised	<u>141</u>	<u>265</u>
Tax on loss	<u>(19)</u>	<u>(288)</u>

At 31 December 2017, the Company had an unrecognised deferred tax asset of £585,778 (2016: £753,524) as a result of accumulated losses and other short term timing differences.

Tax rate changes

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 26 October 2016) and Finance Bill 2017 (on 7 September 2017). These include reductions to the main rate to reduce the rate to 19% from 1 April 2018 and to 17% from 1 April 2020. Unrecognised deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Columbus Midco Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

7. INVESTMENTS

	Shares in group undertakings £000
Cost	
At 1 January 2017 and 31 December 2017	<u>25,330</u>
Impairment	
At 1 January 2017 and 31 December 2017	<u>—</u>
Carrying amount	
At 31 December 2017	<u>25,330</u>
At 31 December 2016	<u>25,330</u>

The company holds an intercompany debtor balance of £25m (2016: £25m) in Columbus Bidco Limited, classified as fixed asset investments.

The undertakings in which the company's interest at the year end is 20% or more are as follows:

<i>Name</i>	<i>Holding</i>	<i>Nature of the business</i>	<i>Country of incorporation or registration</i>	<i>Class of shares held</i>	<i>Percentage shareholding</i>
Columbus Bidco Limited	Direct	Holding Company	UK	Ordinary	100.00
Explore Learning Limited	Indirect	Operation of Maths and English tuition centres	UK	Ordinary	100.00
Explore Horizons Incorporated	Indirect	Operation of Maths and English tuition centres	USA	Ordinary	100.00

The results and position of the subsidiary undertakings at 31 December 2017 are:

<i>Name</i>	<i>Registered Office</i>	<i>Profit/(loss) £000</i>	<i>Net assets/ (liabilities) £000</i>
Columbus Bidco Limited	74 North Street, Guildford, UK	(813)	(6,606)
Explore Learning Limited	74 North Street, Guildford, UK	2,128	16,604
Explore Horizons Incorporated	5080 Spectrum Drive, Suite 530 East, Addison, Texas 75001	6	599

Explore Learning Limited and Explore Horizons Incorporated are direct subsidiaries of Columbus Bidco Limited and indirect subsidiaries of Columbus Midco Limited.

The directors believe the carrying value of the investments are supported by their underlying assets.

Columbus Midco Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

8. DEBTORS

	2017 £000	2016 £000
Amounts owed by group undertakings	367	355
Prepayments and accrued income	1	1
	<u>368</u>	<u>356</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

9. CREDITORS: amounts falling due within one year

	2017 £000	2016 £000
Amounts owed to group undertakings	3,051	3,051

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

10. CREDITORS: amounts falling due after more than one year

	2017 £000	2016 £000
Loan notes	22,604	22,604
Capitalised interest	11,787	9,192
	<u>34,391</u>	<u>31,796</u>

Maturity of debt:

	Loan Notes 2017 £000	Loan Notes 2016 £000
In more than two years but not more than five years	34,391	31,796
	<u>34,391</u>	<u>31,796</u>
Classified as:		
Creditors: amounts falling due after more than one year (note 10)	34,391	31,796

The loan notes, which are unsecured, were issued on the 22 August 2012 as part of the management buy out. The redemption date of the loan notes has been extended to 1 October 2022 and they carry an 8% interest charge.

The interest on the loan notes is due and payable on the date of the redemption of the notes, however the Company can elect to pay on the relevant interest accrual date any or part or all of the accrued interest. Any unpaid interest is combined into the loan balance payable at the maturity of the loan.

On 9 April 2015, the Company's Unsecured Investor Loan Notes were admitted and listed to the Official List of The Channel Islands Securities Exchange Authority Limited.

Columbus Midco Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

11. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2017		2016	
	No	£000	No	£000
Ordinary shares of £1 each	100	—	100	—

12. RESERVES

Share capital - There is a single class of ordinary shares which are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds. There are no restrictions on the distribution of dividends and the repayment of capital.

Retained earnings - This reserve records retained earnings and accumulated losses.

13. RELATED PARTY TRANSACTIONS

Shareholders with significant influence over Columbus Topco Limited are owed amounts in aggregate of £29,210k (2016: 27,006k). Interest on these amounts of £2,204k (2016: £2,043k) was charged to the profit and loss account on the terms set out in note 10.

14. CONTROLLING PARTY

The immediate parent undertaking is Columbus Topco Limited.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Columbus Topco Limited. Copies of the Columbus Topco Limited consolidated financial statements can be obtained from the Company Secretary, at 74 North Street, Guildford, Surrey, GU1 4AW.

Columbus Topco Limited is owned by a number of shareholders and individually no shareholder is able to exert control. There is no ultimate controlling party.