

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**FOR**

**K12 EDUCATION (UK) LTD**

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**K12 EDUCATION (UK) LTD**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**DIRECTORS:**

J J Rhyu  
N A Davis

**SECRETARIES:**

J L Mathis-Hull  
Radius Commercial Services Limited

**REGISTERED OFFICE:**

Coventry University  
Technology Park  
Puma Way  
Coventry  
CV1 2TT

**REGISTERED NUMBER:**

07754025 (England and Wales)

**AUDITORS:**

Auria Audit LLP  
Statutory Auditors  
9 Wimpole Street  
London  
W1G 9SR

K12 EDUCATION (UK) LTD (REGISTERED NUMBER: 07754025)

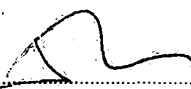
BALANCE SHEET  
30 JUNE 2017

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Intangible assets	4	-	1,757
Tangible assets	5	-	-
		<u>-</u>	<u>1,757</u>
<b>CURRENT ASSETS</b>			
Debtors	6	1,190	9,458
Cash at bank		3,165	26,691
		<u>4,355</u>	<u>36,149</u>
<b>CREDITORS</b>			
Amounts falling due within one year	7	(3,944,557)	(214,314)
<b>NET CURRENT LIABILITIES</b>		<u>(3,940,202)</u>	<u>(178,165)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(3,940,202)</u>	<u>(176,408)</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	8	-	(3,527,315)
<b>NET LIABILITIES</b>		<u>(3,940,202)</u>	<u>(3,703,723)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		100	100
Retained earnings		(3,940,302)	(3,703,823)
<b>SHAREHOLDERS' FUNDS</b>		<u>(3,940,202)</u>	<u>(3,703,723)</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 1 March 2018 and were signed on its behalf by:

  
.....  
J. Rhyu - Director

The notes form part of these financial statements

## K12 EDUCATION (UK) LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### 1. STATUTORY INFORMATION

K12 Education (UK) Ltd (the "Company") is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

#### 2. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been drawn up on a going concern basis. The Company is dependent upon the support of its parent company, K12 International Holdings BV and its ultimate parent company K12 Inc in order to meet its working capital requirements. The directors of the Company have received written undertakings that support will be provided for a period which will exceed twelve months from the date of approval of the financial statements. No adjustments have been made in the accounts which would result from a withdrawal of that support.

The financial statements have been prepared on a going concern basis which is not applicable as the directors ceased trading during FY 2017. There are no material adjustments required by preparing the financial statements on a break up basis.

##### **Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of nil years.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates on a straight-line basis in order to write off each asset over its estimated useful life.

Computer Equipment - 33% on cost

##### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**K12 EDUCATION (UK) LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2017**

**2. ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to profit or loss in the period to which they relate.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 2 (2016 - 4).

**4. INTANGIBLE FIXED ASSETS**

	<b>Computer software £</b>
<b>Cost</b>	
At 1 July 2016 and 30 June 2017	4,031
<b>Amortisation</b>	
At 1 July 2016	2,274
Amortisation for year	<u>1,757</u>
At 30 June 2017	<u>4,031</u>
<b>Net book value</b>	
At 30 June 2017	-
At 30 June 2016	<u><u>1,757</u></u>

**5. TANGIBLE FIXED ASSETS**

	<b>Computer equipment £</b>
<b>Cost</b>	
At 1 July 2016 and 30 June 2017	22,334
<b>Depreciation</b>	
At 1 July 2016 and 30 June 2017	22,334
<b>Net book value</b>	
At 30 June 2017	-
At 30 June 2016	<u><u>-</u></u>

**6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2017 £</b>	<b>2016 £</b>
Trade debtors	-	2,171
Other debtors	-	1,573
VAT	<u>1,190</u>	<u>5,714</u>
	<u><u>1,190</u></u>	<u><u>9,458</u></u>

**K12 EDUCATION (UK) LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 JUNE 2017**

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Trade creditors	-	512
Amounts owed to group undertakings	3,938,602	182,080
Accrued pensions payable	-	19,974
Accrued expenses	5,955	11,748
	3,944,557	214,314

**8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2017	2016
	£	£
Amounts owed to group undertakings	-	3,527,315
	-	3,527,315

**9. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Roy Davis (Senior Statutory Auditor)  
for and on behalf of Auria Audit LLP

**10. RELATED PARTY DISCLOSURES**

At the year end the amounts owed by K12 Education (UK) Ltd to its related parties were as follows:

	2017	2016
	£	£
K12, Inc	10,990	(11,287)
K12 Services, Inc	(15,185)	(16,550)
K12 Management, Inc	(20,434)	(19,533)
K12 International Holdings B.V.	(3,915,055)	(3,663,106)
K12 GmbH	1,082	1,082

K12 Education (UK) Ltd entered into a loan agreement with K12 International Holdings B.V. as of an effective date of 1 February 2015. The entire unpaid principal balance shall be due and payable in full 3 years from the effective date of 1 February 2015. The principal of the loan bears interest at the long term applicable federal rate and interest is accrued on a monthly basis.

**11. FIRST YEAR ADOPTION**

This is the first period that the Company has presented its results and financial position in accordance with FRS 102. The last financial statements under UK GAAP were for the year ended 30 June 2016. The date of transition to FRS 102 was 1 July 2015.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.