THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or the action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to the Financial Services and Markets Act 2000, as amended if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

The Company and the Directors whose names appear on page 5 of this document accept individual and collective responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made for all of the Ordinary Shares of the Company in issue to be admitted to trading on the London Stock Exchange's AIM market. It is expected that trading in the Ordinary Shares will commence on AIM on 11 December 2015. **AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.**

A copy of this document, which comprises an admission document drawn up in accordance with the AIM Rules for Companies, has been issued in connection with the application for admission to trading of all of the Ordinary Shares of the Company in issue. This document does not comprise a prospectus for the purpose of the FSMA and the Prospectus Rules of the FCA and has not been pre-approved by the FCA pursuant to section 85 of FSMA.

The whole of this document should be read. Your attention is particularly drawn to the Risk Factors set out in Part II of this document. All statements regarding the Company's business, financial position and prospects should be viewed in light of these Risk Factors.

Wey Education plc

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 06342555)

wey education

Placing of 50,000,000 New Ordinary Shares at 3.5 pence per share and Admission to trading on AIM

Nominated adviser and broker

WHIreland

Placing Agent

IAF | CAPITAL

Share capital (immediately following Admission)

Issued and fully paid Ordinary Shares of 1.0 pence each

Aggregate Nominal Value	*Number*
£939,710.82	93,971,082

WH Ireland Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company. Its responsibilities as the Company's nominated adviser and broker under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of their decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, expressed or implied, is made by WH Ireland Limited as to any of the contents of this document. WH Ireland Limited will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document or for advising them on the contents of this document or any other matter. No liability whatsoever is accepted by WH Ireland for the accuracy of any information or opinions contained in this document, for which the directors are solely responsible, or for the omission of any information from this document for which it is not responsible.

IAF Capital Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting as placing agent to the Company and is not acting and will not be responsible to any other person for providing the protections to recipients of this document or for advising them on the contents of this document or any other matter referred to herein. No liability whatsoever is accepted by IAF Capital Limited for the accuracy of any information or opinions contained in this document, for which the directors are solely responsible, or for the omission of any information from this document for which it is not responsible.

The distribution of this document outside the UK may be restricted by law and therefore any persons outside the UK into whose possession this document comes should inform themselves about and observe any such restrictions as to the Ordinary Shares and the distribution of this document. Any failure to comply with such restrictions may constitute a violation of the securities laws of any jurisdiction outside of the UK. This document does not constitute an offer to sell or the solicitation of an offer to buy shares in any jurisdiction in which such offer is unlawful. In particular, this document is not for distribution, directly, or indirectly, in or into Canada, Australia, Japan, the Republic of South Africa or the United States or to any national, resident or citizen of Canada, Australia, Japan, the Republic of South Africa or the United States.

The Ordinary Shares have not been and will not be registered under the securities legislation of any province or territory of Canada, Australia, Japan, or the Republic of South Africa. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold directly or indirectly, in or into Canada, Australia, Japan, the Republic of South Africa or to any national, citizen or resident of Canada, Australia, Japan, or the Republic of South Africa.

The Placing is conditional, *inter alia*, on Admission taking place by 8.00 a.m. on 11 December 2015 (or such later date as the Company, WH Ireland and IAF Capital may agree, being not later than 31 January 2016). The New Ordinary Shares will, upon Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared paid or made in respect of the Ordinary Shares after Admission. It is emphasised that no application is being made for the Ordinary Shares to be admitted to the Official List or to any other recognised investment exchange.

Copies of this document will be available for collection, free of charge, from WH Ireland Limited, 24 Martin Lane, London EC4R 0DR for one month from the date of this document. No person has been authorised to give any information or to make any representation about the Company and about the matters the subject of this document other than those contained in this document. If any such information or representation is given or made then it must not be relied upon as having been so authorised. The delivery of this document shall not imply that no change has occurred in the Company's affairs since the date of issue of this document or that the information in this document is correct as at any time after the date of this document, save as shall be required to be updated by law or regulation.

IMPORTANT INFORMATION

The information below is for general guidance only and it is the responsibility of any person or persons in possession of this document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. No person has been authorised by the Company to issue any advertisement or to give any information or to make any representation in connection with the contents of this document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company.

Prospective investors should inform themselves as to: (a) the legal requirements of their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. Statements made in this document are based on the law and practice currently in force in the UK and are subject to change. This document should be read in its entirety. All holders of Ordinary Shares are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles of Association of the Company.

FORWARD LOOKING STATEMENTS

All statements other than statements of historical fact, contained in this document constitute "forward looking statements". In some cases forward looking statements can be identified by terms such as "may", "intend", "might", "will", "should", "could", "would", "believe", "forecast", "anticipate", "expect", "estimate", "predict", "project", "potential", or the negative of these terms, and similar expressions. Such forward looking statements are based on assumptions and estimates and involve risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Except as required by the AIM Rules for Companies, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. New factors may emerge from time to time that could cause the Company's business not to develop as it expects, and it is not possible for the Company to predict all such factors. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements except as required by law.

CONTENTS

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	David Laurence Massie (*Non-executive Chairman*) Thomas Antony Scott (*Executive Director*) John Edward Ralph Bridges (*Non-executive Director*) Dame Erica Christine Pienaar (*Non-executive Director*) *all of the Company's registered office*
Company Secretary	David L. Massie
Registered Office	Third Floor 43-44 New Bond Street London W1S 2SA
Website	www.weyeducation.com
Nominated Adviser and Broker to the Company	WH Ireland Limited 4 Colston Avenue Bristol BS1 4ST
Placing Agent to the Company	IAF Capital Limited 43 – 44 New Bond Street London W1S 2SA
Auditors and Reporting Accountants	Shipleys LLP 10 Orange Street Haymarket London WC2H 7QD
Solicitors to the Company	Sherrards Solicitors LLP 7 Swallow Place London W1B 2AG
Solicitors to the Nominated Adviser and Broker	Burges Salmon LLP One Glass Wharf Bristol BS2 0ZX
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen B63 3DA
Financial Public Relations	Yellow Jersey PR Limited South Building, Upper Farm Wootton St Lawrence, Basingstoke Hants RG23 8PE

PLACING STATISTICS

Placing Price	3.5 pence
Number of Existing Ordinary Shares in issue at the date of this document	43,971,082
Number of New Ordinary Shares being placed pursuant to the Placing	50,000,000
Estimated gross proceeds of the Placing	£1.75 million
Estimated net proceeds of the Placing receivable by the Company	£1.52 million
Percentage of the Enlarged Issued Share Capital represented by the New Ordinary Shares	53.21 per cent.
Number of Ordinary Shares in issue immediately following Admission	93,971,082
Market capitalisation of the Company at the Placing Price	£3.29 million
ISIN	GB00B54NKM12
TIDM	WEY

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	7 December 2015
Expected date of Admission and commencement of dealings in the Enlarged Issued Share Capital on AIM	11 December 2015
CREST accounts to be credited with New Ordinary Shares	11 December 2015
Despatch of definitive share certificates	24 December 2015

Save for the date of publication of this document, each of the date and times above is subject to change. Any such change, including any consequential change in the Placing statistics above, will be notified to Shareholders by an announcement on a Regulatory Information Service.

DEFINITIONS

In this document, where the context permits, the expressions set out below shall bear the following meanings:

"Accounts"	the audited consolidated accounts of the Company for the period ended 31 August 2015
"Act"	the Companies Act 2006
"Admission"	admission of the Enlarged Issued Share Capital to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules for Companies
"Admission Agreement"	the document dated 7 December 2015 described in paragraph 10.3 of Part V of this document
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules for Companies"	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time
"AIM Rules for Nominated Advisers"	the AIM Rules for Nominated Advisers published by the London Stock Exchange, as amended from time to time
"'A' Levels"	the advanced level examinations in various subjects set by various examination boards in the United Kingdom
"'AS' Levels"	the advanced subsidiary level examinations in various subjects set by various examination boards in the United Kingdom
"Articles of Association"	the articles of association of the Company
"Business Purchase Agreement"	the agreement dated 3 February 2015 whereby InterHigh acquired the InterHigh Business from the InterHigh Vendor further particulars of which are set out in paragraph 10.1 of Part V of this document
"City Code"	the City Code on Takeovers and Mergers
"Company"	Wey Education plc, a company registered in England and Wales with registered number 06342555
"CREST"	the electronic systems for the holding and transfer of shares in dematerialised form operated by Euroclear
"CREST Regulations"	the Uncertificated Shares Regulations 2001 (SI 2001 No. 3755) (as amended from time to time)
"Directors" or "Board"	the directors of the Company whose names appear on page 5 of this document and "Director" shall mean any one of them
"Disclosure and Transparency Rules"	the Disclosure and Transparency Rules made by the FCA under Part VI of the Financial Services and Markets Act 2000
"EMI Options"	4,000,000 options approved under the Share Option Scheme details of which are set out in paragraph 5.1 of Part V of this document
"Enlarged Issued Share Capital"	the issued share capital of the Company following Admission, consisting of the Existing Ordinary Shares and the New Ordinary Shares
"Euroclear"	Euroclear UK & Ireland Limited

"European Union" or "EU"	has the meaning given to it in Article 299(1) of the Establishing the European Economic Community Treaty as amended by, among others, the Treaty on European Unity (the Maastrict Treaty), the Treaty of Amsterdam and the Treaty of Lisbon
"Existing Ordinary Shares"	the 43,971,082 Ordinary Shares in issue at the date of this document
"FCA" or "Financial Conduct Authority"	the Financial Conduct Authority of the United Kingdom
"FCA Rules"	the FCA Handbook of Rules and Guidance
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"Group"	the Company and its subsidiaries from time to time
"HMRC"	Her Majesty's Revenue & Customs
"IAF Capital"	IAF Capital Limited, the Placing Agent to the Company, a corporate finance company, authorised and regulated by the Financial Conduct Authority of which David Massie, the Chairman of the Company, is owner, Chairman and Chief Executive Officer
"IFRS"	International Financial Reporting Standards as adopted by the European Union
"IGCSE"	International General Certificate of Secondary Education, being an examination available in various subjects set by various examination boards in the United Kingdom and overseas
"InterHigh"	InterHigh Education Limited, a wholly owned subsidiary of the Company used to acquire the business and assets of the InterHigh Vendor
"InterHigh Business"	the on-going business conducted by InterHigh
"InterHigh Vendor"	a 'not for profit' company now called Beta School Limited which was controlled by Jacqueline Daniell and Paul Daniell and was the vendor of the InterHigh Business
"ISDX"	the ICAP Securities & Derivatives Exchange operated by ICAP plc, which allows trading of shares in companies
"Lock-In Deeds"	the lock-in deeds particulars of which are set out in paragraph 10.6 of Part V of this document
"London Stock Exchange"	London Stock Exchange plc
"New Ordinary Shares"	the 50,000,000 new Ordinary Shares to be issued pursuant to the Placing
"Nominated Adviser Agreement"	the document dated 7 December 2015 described in paragraph 10.4 of Part V of this document
"Official List"	official list of the UKLA
"Options"	the existing options issued (other than the EMI Options issued under the Share Option Scheme) details of which are set out in paragraph 5 of Part V of this document
"Ordinary Shares"	ordinary shares of 1 pence each in the capital of the Company

“Placing”	the conditional placing of the New Ordinary Shares at the Placing Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 7 December 2015 described in paragraph 10.5 of Part V of this document
“Placing Agent”	IAF Capital
“Placing Price”	3.5 pence per New Ordinary Share
“Prospectus Rules”	the Prospectus Rules made by the FCA pursuant to sections 73(A)(1) and (4) of FSMA
“QCA Guidelines”	Corporate Governance Guidelines for Smaller Quoted Companies published in September 2010 by the Quoted Companies Alliance
“Register”	the register of members of the Company
“Regulatory Information Service” or “RIS”	one of the regulatory information services authorised by the London Stock Exchange to receive, process and disseminate regulatory information in respect of AIM listed companies
“Shareholder”	a holder of Ordinary Shares
“Share Dealing Code”	the code on share dealings adopted by the Company as more particularly described in paragraph 14 of Part I of this document
“Share Option Scheme”	the EMI share option scheme adopted by the Company as more particularly described in paragraph 15 of Part I of this document
“SME”	small and medium-sized enterprises
“Takeover Panel” or “Panel”	the UK Panel on Takeovers and Mergers
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority” or “UKLA”	the United Kingdom Listing Authority, being the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of the Financial Services and Markets Act 2000
“VCT/EIS”	a company satisfying the requirements of Chapter 3 of Part 6 of the Income Tax Act 2007, as amended, for venture capital trusts/the enterprise investment scheme as particularised in Part V of the Income Tax Act 2007
“Warrants”	the share warrants by the Company details of which are set out at paragraph 6 of Part V of this document
“Wey Consultancy”	Wey Consultancy Limited, a wholly owned subsidiary of the Company, engaged in educational advisory services
“WH Ireland”	WH Ireland Limited, nominated adviser and broker to the Company
“£” and “p”	United Kingdom pounds and pence sterling, respectively

All references to times in this document are to London time unless otherwise stated. References to the singular shall include references to the plural, where applicable, and *vice versa*.

PART I

INFORMATION ON THE GROUP

1. Introduction

The Company is a holding company of an educational group with two trading divisions. Through InterHigh the Company owns and operates an established online independent secondary school in the UK, offering IGCSEs, 'AS' Levels and 'A' Levels. Through Wey Consultancy it operates a consultancy business, assisting parties seeking to sponsor free schools and academies. Academies are state-funded schools, which are directly funded by the Department for Education and independent of local authority control. A free school is a type of academy which is non profit making, independent but free for students to attend. Typically, free schools are new schools whereas academies have been converted from existing local authority controlled schools.

The Directors believe that the Company's admission to AIM will enhance the market position of the Company and facilitate further growth.

The Placing will raise approximately £1.52 million net of expenses for the Company which will be used to fund the further development of the Group, meet the expenses of Admission and repay existing debt. On Admission the Company will have 93,971,082 Ordinary Shares in issue with a market capitalisation at the Placing Price of approximately £3.29 million and approximately 23.2 per cent. of the issued share capital will be in public hands.

2. History and background

The Company was incorporated on 14 August 2007 but did not trade until April 2011 when the Company was listed on the PLUS market (now ICAP Securities & Derivatives Exchange ("ISDX")).

The catalyst to the listing on the PLUS market was the acquisition at that time by the Company of Wey Consultancy which was intended to enable the Group to bid to manage local authority new schools as well as free schools and academies. While the Company maintained a steady flow of consultancy business, initial targets for the establishment of an active schools management company were not met which resulted in a number of management changes and a reduction in the Company's operational overhead.

The Group acquired, pursuant to the Business Purchase Agreement and with effect from 13 February 2015, the business and assets of the InterHigh Vendor, a successful online education business which it intends to expand by the organic growth of its existing products and the introduction of new educational products.

3. The business

InterHigh

The acquisition of the InterHigh Business in February 2015 has provided an online secondary education platform which the Directors believe presents the Company with significant expansion opportunities in the UK and overseas markets.

The acquisition of the InterHigh Business was effected through a new Group subsidiary, InterHigh, incorporated and currently trading as a not for profit company for VAT purposes then called Wey InterHigh Limited, for an initial consideration of £776,217 paid to the InterHigh Vendor as to £388,109 in cash and the balance through the issue of 8,624,634 new Ordinary Shares in the Company. In addition, deferred consideration is payable to the InterHigh Vendor of an amount equal to 50 per cent. of the incremental growth in turnover of the InterHigh Business for each of the periods ending 31 August 2015 and 31 August 2016, payable as to 50 per cent. in cash and 50 per cent. through the issue of new Ordinary Shares in the Company. It is estimated that the deferred consideration payable for the period ending 31 August 2015 is in aggregate £153,000. On completion of the acquisition, Wey InterHigh Limited changed its name to InterHigh Education Limited. Further details of the Business Purchase Agreement are set out in paragraph 10.1 of Part V of this document.

The InterHigh Business was founded in 2005 by Paul and Jacqueline Daniell to provide an online, fee paying secondary school. At 31 May 2015, InterHigh had 33 teachers. Student numbers vary as students join and leave for different reasons during the year. In September 2015 the student role was approximately 516 students. Approximately 70 per cent. of these were from the UK and 30 per cent. were from overseas. Many of the overseas students were from Europe but there were also students enrolled from further afield, such as East Africa and the Company sees considerable growth potential in that market. The curriculum is based on the English National Curriculum with pupils studying for IGCSE exams in year 11, 'AS' Levels in year 12 and 'A' Levels in year 13.

InterHigh is not a video based school where students' education is primarily by self-study. InterHigh is a fully interactive online independent school with full classroom participation between teacher and students. Teaching is delivered via a resilient, cloud-based platform under which students and teachers interact through using the computer screen as an interactive whiteboard. Students can speak to, message or email the teacher directly, as well as contact each other online through the platform.

InterHigh provides students with pastoral support and a comprehensive parent portal to enable families to communicate with the school and observe student progress and aims to achieve an environment which is as inclusive and supportive as in a conventional school. Students can participate in a range of enrichment studies, clubs, societies and seminars. In addition the platform offers the opportunity to congregate in the online common room, interact using 'InterHigh chat' or engage with fellow students via the school's social media system – 'myInterHigh'.

The teaching platform has been designed to be scalable, utilising a combination of proprietary and packaged software and requires modest levels of connectivity to operate. InterHigh uses licenced third party software for its basic platform which is enhanced by proprietary software which has been developed for InterHigh by the contracted IT consultant to give the additional functionality. In a typical InterHigh class, the teacher will lead the teaching and interact with students via their respective computers, with the screen acting as an interactive whiteboard. Communication is through voice, text and interactive presentation.

InterHigh's proprietary software provides a "dashboard" from which parents, teachers and students can evaluate performance, school attendance and grades achieved, as well as whether homework has been completed on time.

Quality assurance has been verified through adoption of ISO 9001 and the subsequent approval of the school's key processes.

The Directors believe that InterHigh's education model provides benefits for students, parents and teachers. Students have the ability to access an online library of both a syllabus and lessons and to revisit digital recordings of lessons. Parents can utilise the school to avoid the need to move to a catchment area of a school with good examination results, while the parent portal allows parents to constantly monitor the attendance and performance of their children. The online nature of the school also means that the school run is not needed but teachers and staff can be readily contacted via the internet. Teachers have the ability to manage their own working hours better and to concentrate their time on teaching students.

InterHigh's main servers are hosted remotely from its offices in a tier 4 data centre. A maintenance contract is in place providing for a 4 hour response on critical issues. All data on students is encrypted and backups of data are regularly taken and stored remotely from the data centre.

Support on both hardware and software is provided by an independent IT consultant, who has worked with InterHigh under its previous ownership, and appropriate backups of critical records are maintained. The Company takes the potential of cyber-attacks very seriously and maintains an active monitoring program with appropriate fire walls in place to protect the IT systems. Most issues in using the technology can be resolved promptly and online.

If the Company's overseas expansion plans are successful, then the Board will consider locating further servers overseas, giving both greater resilience of delivery to those markets and also providing additional backup to the UK IT infrastructure.

Teachers are generally located remotely from InterHigh's premises and typically teach from their homes. InterHigh's policy is in general to have class sizes of up to 18 students at IGCSE and up to 12 at 'A' Level.

The core IGCSE programme is generally taught between 9.30 a.m. and 1.00 p.m. and this has proved effective in obtaining high levels of good IGCSE passes. The Directors believe that InterHigh's approach is more efficient when compared to a traditional school and it eliminates some of the time wasted in a traditional school, such as the time for students to move between classes with the disruption caused at the beginning and end of each lesson. Research by Ofsted showed that up to one hour a day of a school's traditional teaching time is lost to disruption.

InterHigh operates a sixth form. Until the current academic year it taught 'A' Levels between 6.00 p.m. and 9.30 p.m. At 31 May 2015 only 20 students were enrolled with InterHigh to study 'A' Levels, meaning a significant proportion of those taking their IGCSEs at InterHigh went elsewhere to study 'A' Levels.

Until recently the subjects available for study at 'A' Level through InterHigh Advanced (InterHigh's Sixth Form online college) were Business Studies, Classical Studies, English Literature, Geography, History, Mathematics, Sociology, Psychology, Economics and Media Studies. As from September 2015, the sixth form has been relaunched and Year 12 'A' Levels are now taught between the more conventional hours of 9.30 a.m. and 3.30 p.m. The relaunch has been accompanied by an increase in the subject choices available which will be further expanded over the next few years. Year 13 will convert to these new hours from September 2016. The Directors believe that these changes will lead to a major increase in the number of students studying 'A' Levels at InterHigh.

Part of this change will be to offer various specialist 'A' Levels such as 'Further Mathematics' and 'Latin', which will be made available not only to dedicated InterHigh students but to other schools which are unable to offer such subject choices to their own students.

InterHigh has expanded over the past three years without the need to advertise for additional teacher vacancies due to the number and quality of unsolicited approaches received from prospective staff. Teacher turnover is low compared to traditional schools in England. The Directors believe that one of its advantages is the high quality of its teacher profiles. Its low teacher turnover rate, which is approximately half of that of English schools, is indicative of a stable work force. InterHigh maintains a data base of candidate teachers seeking employment with the Company and has paid no recruitment fees in the 3 years ended 31 August 2015.

The Company's primary measure of business performance in the next few years will be the growth in student numbers and annual fees per student, as this is directly related to turnover and resulting profitability. Students pay annually, termly or monthly in advance and procedures have been introduced to closely monitor the incidence of arrears.

Wey Consultancy

Wey Consultancy has specialised in supporting aspirant free school groups with a range of services from initial school concept to school opening. It has successfully supported primary, secondary, all-through, and University Technical College Free School applications. The delivery model utilises associates together with specialist partners in the areas of school finance, building design and technology. The Directors believe that Wey Consultancy has established a reputation for high quality delivery which has resulted in new business opportunities primarily arising from recommendations or unsolicited approaches.

Market

In England, the state secondary school sector is estimated to be worth around £36 billion consisting of 3,250 state funded secondary schools with almost 3.2 million students and a further 0.8 million students studying in other colleges. According to schools capacity forecast data for 2013, demand for state secondary school places is forecast to rise by over 230,000 by 2020. The Company has ambitions to develop a 'state sector' product (the "ecademy") but this is less advanced than the existing InterHigh offering.

The UK independent schools market is estimated to be worth around £7.5 billion, with 2,000 schools attended by over 500,000 students. This represents the highest number of students within independent schools since 1974 when records began. The 2015 Independent Schools Council Census stated that average independent school fees were £14,000 per annum compared to InterHigh's current annual fee for students to 16 of £2,340.

It is estimated that there are approximately 80,000 students in England who are currently home schooled as a matter of choice by their parents for various reasons. This is an obvious target market for expansion of the existing InterHigh Business. Obtaining only a modest market share of these students would lead to a significant expansion in the size of the InterHigh school. In 2014 over 16,500 families who applied to a state school were not offered any of the choices they had indicated in the admissions process. The Directors believe that this group represents further opportunities to grow student numbers.

As regards the overseas market for English education, there are over 7,000 international schools globally of which about 2,900 follow a British curriculum. Aggregate fee income in 2013 was about £21.4 billion and has grown by about 70 per cent. from 2009. The market monitoring International Schools Consultancy (ISC) group predicts the market will rise to £36 billion by 2024. The Directors believe that there are potential opportunities for InterHigh in Asia and these will be researched further post Admission.

In addition, there are estimated to be over one million British expatriate citizens living and working abroad.

The Directors believe that there are considerable opportunities available to the Group in both the UK market and the overseas market for English education.

Competition

The Directors believe the market is growing and accessible and that new entrants will enter the market. However, the InterHigh Business has a significant first mover advantage consisting of its track record, its technology and the teaching experience which it has developed over the last 10 years.

Online education is further developed in other places of the world than the UK. In Australia, the vast distances between certain settlements has necessitated long distance learning for some pupils. Teaching was originally delivered by radio but this is now migrating online.

In the United States of America, Stanford University has established the Stanford University Online High School, which is a full service diploma granting high school accredited status teaching an American curriculum and is a near parallel to InterHigh. Stanford University Online High School currently has 604 students. The Pearson owned Connections Academy group has over 60,000 US High School Students.

There are other organisations which offer online education in the UK. Generally all of these are either video based where the student downloads a lesson for home study or are limited to specific individual subjects. The Directors believe that InterHigh is the only online school in the UK currently offering a wide range of IGCSE, ‘AS’ Level and ‘A’ Level subjects and providing full pastoral support where the curriculum is taught online in a format similar to a traditional school.

Other online providers who have entered the market offer single subject study, exam preparation to individual students or target traditional schools to provide outsourced support for particular groups, for example Special Educational Needs (SEN). An InterHigh student has the opportunity to study the full curriculum whereas other competitors offer a limited number of subjects. The Directors, however, believe there is a possibility for InterHigh to take market share from these operators by also offering single subject interactive courses.

The Directors are of the opinion that most traditional schools are unlikely to be active competitors as they are committed to utilising the school building, their largest asset, and are likely to be reluctant to venture into an online offering.

Independent schools which have expanded overseas (for example Harrow) have stopped short of providing an online offer due, the Directors believe, to concerns of brand dilution. Recently, Eton College has announced an online offering to Chinese students but it is limited to a non-academic subject.

4. Directors and employees

Directors

At Admission, the Board will comprise a Non-executive Chairman, one Executive Director and two Non-executive Directors. John Bridges and Dame Erica Pienaar are considered to be independent for the purposes of the QCA Guidelines. In addition, Paul and Jacqueline Daniell who run the InterHigh Business day-to-day are directors of InterHigh, and have fixed term service contracts until 31 March 2017. Brief biographical details of the Directors and of Paul and Jacqueline Daniell are set out below:

David Massie, aged 60 – *Non-executive Chairman*

David is an experienced Company Director and Chairman and has been Chairman of a number of publicly quoted and privately owned companies. He holds a degree in accounting and financial analysis from the University of Warwick.

David is also Chairman and Chief Executive Officer of IAF Capital, where he leads a team focused on financial advisory work in sub Saharan Africa. From time to time, David is called upon to advise various overseas Governments in the region on various commercial and economic matters. He has wide ranging experience across a number of sectors, including financial services, infrastructure and IT. He recently led IAF Capital's team advising on the Government of Rwanda's new e-gov platform, structured as a public private partnership with a significant IT component. He travels regularly to both Africa and China.

David is also involved in educational affairs as a member of the Vice Chancellor's Circle, an advisory body to the University of Warwick.

In addition to his role as Chairman, it is anticipated that David will assist in the Company's proposed expansion overseas, with an emphasis on African and Asian markets.

Tom Scott, aged 50 – *Chief Operating Officer*

Tom started his career in teaching having completed a Physics Degree at Imperial College and teacher training at Kings College London. Subsequently he moved into business.

Tom joined the Company in July 2012, initially as a consultant and then as a full time employee from October 2012. He became an Executive Director in February 2015. He has led the Company's move into online education and will continue that role as Chief Operating Officer, with a particular emphasis on expansion and growth. Tom has successfully led a range of large scale technical and non-technical projects. He has experience in the management and delivery of free school and academy projects in challenging, multi-stakeholder and partnership environments.

Tom was a Founding Director of the Southwark Free Schools Trust where he led the proposer group from inception to successful approval. In addition Tom was Director of Operations for E-ACT a major multi-academy trust from 2010 – 2011, having responsibility for 11 secondary academies across England. E-ACT's turnover was approximately £55 million per year during the relevant period. In addition, Tom has had extensive operations, service and technology experience, gained in a commercial career spanning over 20 years, including roles at Camelot and the RAC and start-up (Seatwave) businesses. In 2006 Tom was admitted to Companion Membership of the Institute of Customer Services for his contribution to service excellence.

John Bridges, aged 73 – *Non-executive and senior independent Director*

John has worked in the City for over fifty years. The majority of his first twenty years was in institutional stockbroking and the remainder in public company corporate finance.

John has been a Member of The Chartered Institute for Securities and Investment since 1993 and is a past Committee Member of the Corporate Finance Forum and is a current Committee Member of the Compliance Forum. In other business activities he is regulated by the Financial Conduct Authority and the Central Bank of Ireland.

Dame Erica Pienaar, aged 63 – *Non-executive Director*

Erica has had a long and distinguished career in education and was appointed a Dame for her services to education in the 2014 Queen's birthday honours list.

Until her retirement in September 2013, she was Executive Head Teacher of the Leathersellers' Federation of Schools. The Federation was established in September 2008 in Lewisham and comprises three Colleges: Prendergast-Hilly Fields College, Prendergast-Ladywell Fields College and Prendergast-Vale College. The federation is a "hard federation" led by a single governing body which means that the schools in the federation remain separate schools with their own budgets but come together under a single governance body.

She began her career as a Science Teacher in 1973 and has taught for 40 years in South East London. She was the Head Teacher of Prendergast School (Hilly Fields) from 1998 to 2008. At Crofton School (renamed Prendergast-Ladywell Fields College) under Erica's leadership the school changed from being the most unpopular secondary school in Lewisham to one that was trusted by parents and fit for expansion.

Senior management

Jacqueline Daniell – *Chief Executive, InterHigh Education Limited*

Jacqueline is the Chief Executive and oversees enrolments, partnerships and new ventures. The school manager, plus all the administrative and pastoral staff report to Jacqueline. Working full time in the InterHigh school office, she keeps all the school classrooms running and plans the future development of InterHigh. She studied Architecture at Nottingham University, and later part time postgraduate degrees in Management at Glamorgan and Town and Country Planning at Bristol, and spent most of her career working as a Project Manager on large building development projects. In 2005 she was involved in the design of InterHigh and then took on the administrative responsibilities of the school.

Paul Daniell – *Director of Education, InterHigh Education Limited*

Paul is the Director of Education, in charge of the curriculum manager and all teaching staff. After graduating with a BSc from Nottingham University and an MSc in Management from Birmingham University, he worked in a variety of senior management positions in UK manufacturing, especially in the automotive industry for 12 years. He then undertook a PGCE with the Open University and taught Physics and IT for 8 years at secondary school level. After two years of preparation, he opened InterHigh in September 2005.

Employees

On Admission the Group will employ 54 staff consisting of 11 administrative staff, 42 teachers and the Chief Operating Officer. The teachers operate from their homes whilst the administrative staff operate from InterHigh's premises at the Elvicta Business Park in Crickhowell, Powys.

The expansion of InterHigh will require further teacher recruitment. Currently, teaching staff turnover is low and all recruitment has been sourced from a database of over 300 potential teaching candidates. As a result InterHigh has not advertised and has not paid any recruitment fees for new teaching staff over the past three years.

The Directors believe that teaching staff find the flexibility of the InterHigh model and its focus on teaching, rather than classroom management, attractive. Some teachers like the flexibility of the InterHigh timetable whilst others welcome the dedication to teaching. The Directors are confident that additional teaching staff can be recruited consistent with the Company's ambition for growth.

5. Summary financial information

Part III of this document contains an Accountants' Report on the audited historical financial information on the Company for each of the years ended 31 December 2012, 2013, 2014 and the period ended 31 August 2015. The summary financial information on the Company is set out in the table below and has been derived from the Financial Information contained in Section B of Part III of this document.

The summary financial information on InterHigh has been extracted without material adjustment from the Financial Information on the InterHigh Business (as conducted by InterHigh and previously by the InterHigh Vendor) contained in Section B of Part IV of this document.

Each summary should be read in conjunction with the full text of this document. Investors should not rely solely on the summarised information.

Wey Education Plc – Summary Consolidated Profit & Loss Account

	Year ended 31 December 2012	*Year ended 31 December 2013*	*Year ended 31 December 2014*	*Period ended 31 August 2015*
Revenue	240,153	130,082	55,260	521,977
Cost of sales	–	–	(2,350)	(300,323)
Gross profit	240,153	130, 082	52,910	221,654
Administrative expenses	(619,439)	(291,922)	(350,256)	(457,856)
Equity based share payments	–	–	–	(51,739)
Exceptional items	(76,400)	–	–	(55,960)
Operating loss	(455,686)	(161,840)	(297,346)	(343,901)
Finance costs	–	(6,947)	(15,562)	(11,810)
Loss before tax	(455,686)	(168,787)	(312,908)	(355,711)
Taxation	–	–	(205)	–
Total comprehensive income	(455,686)	(168,787)	(313,113)	(355,711)

InterHigh Business – Summary Profit & Loss Account

	Year ended 31 August 2013	*Year ended 31 August 2014*	*Year ended 31 August 2015*
Revenue	631,117	776,217	1,082,244
Cost of sales	(474,124)	(500,488)	(602,114)
Gross surplus	156,993	275,729	480,130
Administrative expenses	(126,538)	(137,046)	(318,481)
Exceptional items	(238,567)	–	(88,203)
Operating surplus/(deficit)	(208,112)	138,683	73,446
Finance costs	(4,073)	(2,883)	(2,366)
Surplus/(deficit) before tax	(212,185)	135,800	71,080
Taxation	392	(28,431)	–
Surplus/(deficit) for the financial year	(211,793)	107,369	71,080

The deficit before tax reported for the year ended 31 August 2013 was due to the waiver of a loan by the InterHigh Vendor to its directors of £238,567.

6. Financial reporting

Following completion of the InterHigh acquisition the Group's financial year runs from September to August each year, in line with the school calendar. It is anticipated that the preliminary statement of results for each year will be announced by the end of November and that an interim statement of the results for the first half-year will be announced in May each year. It is intended to hold the Company's Annual General Meeting during December of each year.

7. Current trading, strategy and prospects

The Company's results for the eight month period ended 31 August 2015 are summarised in the Financial Information contained in Section B of Part III of this document.

In the Company's results the Chairman stated that:

- although the Sixth Form re-launch was only announced in late July 2015, by the first week of the Autumn term 2015/2016, Year 12 (the "lower sixth") had grown to 35 students and has expanded further to 45 students since the term started. With a full year to recruit students, the Directors anticipate substantial growth in this area of the school for 2016/2017 and beyond;
- the Company is piloting a programme with a local authority for students who are not in conventional schooling and hopes that this will prosper; and
- the Company has launched an initiative to offer selective lessons schooling to students through its existing schools and is confident this will lead to further student growth. The initial pilot, started in September, has already proved successful and the school will include InterHigh in its own prospectus for 2016/2017, as a provider of supplementary teaching.

The Directors consider that there is significant scope to increase the profitability of the Group, through further organic growth in the UK, particularly in the online sector both in the privately funded and state funded market segments and through selective acquisitions.

InterHigh's online, fee paying secondary school education platform has become the foundation of the Group's online education offering. In the 2015/16 year, emphasis is being placed on:

(a) growing the number of InterHigh students, particularly through the Sixth Form;

(b) international expansion;

(c) offering a number of services to other independent schools and the state sector; and

(d) ensuring the Group's IT systems are capable of supporting a business with a multiple of the current number of students.

InterHigh will begin offering 'A' Level courses to other independent and state schools in subjects which are difficult for some schools to timetable such as further Mathematics and Latin. In the state funded segment, the Company's initial focus will be to introduce a product for the 14+ home education market through a third party further education provider but due to practical constraints the first students will probably not join until September 2016.

In addition, the Directors have identified a number of market segments which they consider are likely to respond well to an alternative model to traditional international schooling principally in Spain, France, Portugal and East Africa.

For Kenya, Uganda and Rwanda, the Company has appointed a local agent to promote its educational offering which may, in certain of these markets, use a variation of the existing product which is targeted at individual students. The Directors consider it more likely that agreements will be reached with leading independent schools in the region, to provide supplementary teaching to those schools on a course by course basis, where the local school believes that the talent and quality of the teaching provided by InterHigh will enhance the education of their students. Initial reaction within the East African region to the InterHigh services has been encouraging, with a number of discussions already initiated. A recent market survey has predicted that the total number of international schools in Africa will double in the next decade, making it an attractive market to enter.

The Group intends to explore the possibilities of an offering to the Asian markets, where a British education is highly respected and may be seen by parents as a route to their children studying at a university in the UK. The time difference needs to be addressed in terms of teacher availability/student attendance but the Directors believe there is considerable pent up demand for online education in certain countries such as China. The expansion possibilities discussed above may also involve creating white label versions of the existing school, both to provide services to established education groups and to develop a B2B market serving other users of educational services.

In order to deliver the potential for geographical expansion identified above, primarily in Europe and Africa, as well as growing organically the existing InterHigh business, strategy will be focused on increasing student numbers by:

(a) an active social media marketing campaign to make more families aware of the existence of the online offering;

(b) expansion of the product into overseas markets;

(c) expansion into new areas of the further education market for 14 – 16 year olds, funded by the Education Funding Agency; and

(d) the re-launch of the Sixth Form, InterHigh Advanced, described above.

In addition, the Directors will consider acquisition opportunities on a selective basis where target businesses are offering products or services that they consider to be undervalued and complementary to the Company's core offering.

The Directors also believe there are a number of private companies that could be acquired that would enable the Group to enhance or broaden its service offering, potentially enhancing its reach in regional markets and would allow it to diversify its income streams. While online teaching has many benefits, there are areas where it makes teaching of certain subjects problematic such as laboratory work for 'A' Level sciences. The Group is investigating methods of addressing these problems and intends to be ready to have a solution implemented for the start of September 2016 which will enable the curriculum to be expanded still further.

The Company also intends to rebuild its traditional consultancy business, where it advises interested parties on the submission of free school and academy proposals. This business has been subdued as a consequence of the 2015 General Election and the Company will now look to develop this area of its business.

The proposed expansion of the InterHigh offering by the successful implementation of the strategy will require additional teaching staff which the Directors intend to address in the first instance by recruitment from InterHigh's extensive database of teachers.

8. Dividend policy

The Directors recognise the importance of dividend income to Shareholders but intend to retain earnings to fund future growth for the next few years. Thereafter, having regard to the working capital requirements of the Group, the Directors intend to pursue a dividend policy that will take account of the Company's profitability, underlying growth and availability of cash and distributable reserves.

9. Reasons for Admission, the Placing of New Ordinary Shares and the move to AIM

The Directors believe the Group has reached a size and stage of development where Admission will help facilitate further growth in the business by:

- enhancing the profile and credibility of the Group in its markets;
- causing the Group to be better positioned to attract, retain and recruit key staff (who may be further incentivised through the Share Option Scheme);
- providing access to equity markets to finance further growth and potential acquisitive growth in the business; and
- providing a currency in the Company's shares which may facilitate the financing of future acquisitions.

The Placing will enable the Group to become debt free and have the resources to scale up its IT systems in advance of anticipated growth, while providing additional working capital.

10. Details of the Placing

The Placing of 50,000,000 New Ordinary Shares will raise £1.75 million for the Company, before expenses. The net proceeds of approximately £1.52 million, together with the Group's existing resources, will be used to repay existing debt, for general working capital purposes and to support the future growth of the Group.

The 50,000,000 New Ordinary Shares being issued by the Company will represent approximately 53.21 per cent. of the Enlarged Issued Share Capital. Significant shareholdings in the Company following the Placing are set out in paragraph 7 of Part V of this document. On Admission, at the Placing Price, the Company will have a market capitalisation of approximately £3.29 million.

The Placing is conditional, *inter alia*, on:

(i) the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and

(ii) Admission becoming effective not later than 8.00 a.m. on 11 December 2015 (or such later time and/or date as WH Ireland, IAF Capital and the Company may agree in writing, (being no later than 3.00 p.m. on 31 January 2016)).

The New Ordinary Shares will be issued fully paid and will, on issue, rank *pari passu* with all other issued Ordinary Shares, including the right to receive, in full, all dividends and other distributions thereafter declared, made or paid after the date of Admission.

The Placing Agreement contains certain representations and warranties given by the Company and the Directors in favour of IAF Capital as to, amongst other things, certain matters relating to the Company and its business. The Placing Agreement also contains indemnities given by the Company and the Directors in favour of IAF Capital in relation to certain liabilities which IAF Capital may incur in respect of the Placing. A summary of the principal terms of the Placing Agreement is set out in paragraph 10.5 of Part V of this document.

11. Directors' placing participation, Lock-In and orderly market arrangements

David Massie, Chairman of the Company, together with his related parties, has subscribed £136,500 for 3,900,000 New Ordinary Shares at the Placing Price on the same terms and conditions as the other subscribers.

Immediately following Admission, the Directors will in aggregate be interested in 17,624,583 Ordinary Shares representing approximately 18.76 per cent. of the Enlarged Share Capital of the Company. David Massie and John Bridges (the two Directors who have a shareholding) have entered into Lock-In Deeds and undertaken not to dispose of any interest they hold in Ordinary Shares for 12 months following Admission (save in certain limited circumstances) and thereafter for a period of 12 months only to effect disposals of their Ordinary Shares through WH Ireland (or the brokers for the time being of the Company) to permit the maintenance of an orderly market in the Ordinary Shares. Further details of the Lock-In Deeds are set out in paragraph 10.6 of Part V of this document.

Under the Business Purchase Agreement, the InterHigh Vendor has agreed not to dispose of any Ordinary Shares received in consideration for the acquisition of the InterHigh Business until 12 months after the date on which the final consideration shares are to be issued under the Business Purchase Agreement. This is expected to be around November 2016, so the lock-in would apply until around November 2017.

12. Admission to trading and dealing arrangements

Pursuant to the Nominated Adviser Agreement WH Ireland has been appointed as Nominated Adviser and broker to the Company. Further details relating to the Nominated Adviser Agreement are set out in paragraph 10.4 of Part V of this document.

Application is being made by WH Ireland for Admission in respect of the Ordinary Shares. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on 11 December 2015.

No application is being made for the Ordinary Shares to be admitted to listing on the Official List or to be dealt in on any other exchange.

The Admission Agreement contains certain representations and warranties given by the Company and the Directors in favour of WH Ireland as to, amongst other things, certain matters relating to the Company and its business. The Admission Agreement also contains certain indemnities given by the Company in favour of WH Ireland in relation to certain liabilities which WH Ireland may incur in respect of Admission. A summary of the principal terms of the Admission Agreement is set out in paragraph 10.3 of Part V of this document.

13. Corporate governance

The Directors recognise the importance of sound corporate governance and intend that the Group will comply with the provisions of the QCA Guidelines.

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions.

The Group has established audit and remuneration committees of the Board with formally delegated duties and responsibilities.

The audit committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It receives and reviews reports from the Group's management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The audit committee meets no less than twice each year and has unrestricted access to the Group's auditors. The audit committee comprises David Massie, as Chairman, and John Bridges.

The remuneration committee reviews the performance of executive Directors and senior management and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The remuneration committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time. The remuneration committee will meet at least once each year. The remuneration committee comprises David Massie, as Chairman, and John Bridges.

No separate nomination committee has been established. The Board as a whole is responsible for identifying, nominating and approving appointments to the Board, as well as considering the continuing appropriateness of the Board, the future needs of the Company and issues of succession.

14. Share Dealing Code

The Board intends to comply with Rule 21 of the AIM Rules for Companies relating to Directors' dealings as applicable to AIM companies and will also take all reasonable steps to ensure compliance by the Group's relevant employees and has adopted the Share Dealing Code for this purpose.

The Share Dealing Code applies to the Directors and other relevant employees of the Group. The Share Dealing Code provides that there are certain periods during which dealing in Ordinary Shares cannot be made. Such periods include the periods leading up to the publication of the Company's financial results, including interim results, and any periods in which the Directors and other relevant employees may be in possession of unpublished price sensitive information.

In addition, a clearance procedure must be followed before any dealings by persons subject to the Share Dealing Code can take place (including dealings by their families and other associates).

15. Share options and incentives

The Directors believe it is important for the success and growth of the Group to employ highly motivated personnel and that equity incentives are available to attract, retain and reward staff.

The Company has established a Share Option Scheme under which options can be granted to executive Directors and employees. The awards under this scheme and any future scheme will not exceed ten per cent. of the Company's issued share capital from time to time. Options over 4,000,000 Ordinary Shares have been granted under the Share Option Scheme. There are several other grants of options and warrants outstanding which are detailed at paragraphs 5 and 6 of Part V of this document. No new options are contemplated to be granted at the time of Admission but the Company plans to make grants to senior teaching and other staff in due course.

16. Shareholder Discount Scheme

The Company has introduced a shareholder discount scheme under which any Shareholder who holds and continues to hold 250,000 Ordinary Shares or more is entitled to a 10 per cent. discount on each of their children, step children or grandchildren attending InterHigh. Terms and conditions of the shareholder discount scheme are available on the Company's website.

17. CREST

CREST is a paperless settlement system enabling securities to be transferred from one person's CREST account to another without the need for written instruments of transfer. The Articles of Association permit the holding of Ordinary Shares under the CREST system. The Company's Ordinary Shares are already admitted to CREST and accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

18. Taxation

In August 2015 the Company received notification from HMRC that the New Ordinary Shares, to be issued to UK investors, should qualify for EIS relief and VCT relief. The availability of tax relief will depend, *inter alia*, upon the investor and the Company continuing to satisfy various qualifying conditions. The Company cannot guarantee to conduct its activities in such a way as to maintain its status as a qualifying EIS or VCT investment but the Directors intend, as far as possible, to do so. Investors considering taking advantage of EIS relief or making a qualifying VCT investment are recommended to seek their own professional advice in order that they may fully understand how the relief legislation may apply in their individual circumstances.

Your attention is drawn to the further information regarding taxation set out in paragraph 9 of Part V of this document. These details are, however, intended only as a general guide to the current tax position for UK resident shareholders under UK taxation law and you should seek independent advice if you are in any doubt as to your tax position and/or if you are subject to tax in a jurisdiction other than in the UK.

19. The City Code

The Company is subject to the City Code pursuant to which under Rule 9, if:

(a) a person acquires an interest in shares in the Company which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or

(b) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

The Company is also subject to the compulsory acquisition procedures set out in sections 974 to 991 (inclusive) of the Act, where an offeror makes a takeover offer (within the meaning of section 974 of the Act) and receives valid acceptances in respect of, or acquires, more than 90 per cent. of the shares to which the offer relates, that offeror is entitled to compulsorily acquire the shares of any holder who has not accepted the terms of such offer.

20. Further information

Your attention is drawn to the further information set out in Parts II to V (inclusive) which contains further information on the Company.

PART II

RISK FACTORS

AN INVESTMENT IN ORDINARY SHARES IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. THE ATTENTION OF PROSPECTIVE INVESTORS IS DRAWN TO THE FACT THAT THE COMPANY IS SUBJECT TO A VARIETY OF RISKS WHICH, IF ANY WERE TO MATERIALISE, COULD HAVE A SIGNIFICANT ADVERSE EFFECT ON THE COMPANY'S BUSINESS AND/OR FINANCIAL CONDITION, RESULTS OR FUTURE OPERATIONS. IN SUCH CASE, THE MARKET PRICE OF THE ORDINARY SHARES COULD DECLINE AND INVESTORS MIGHT LOSE SOME OR ALL OF THEIR INVESTMENT.

In addition to the information set out in the rest of this document, the following risk factors in this Part II should be considered carefully in evaluating whether to make an investment in the Company. The following factors do not purport to be an exhaustive list or explanation of all the risk factors involved in investing in the Company and they are not set out in any order of priority. Additionally, there may be risks not mentioned in this document of which the Board is not aware or believes to be immaterial but which may, in the future, adversely affect the Group's business and the market price of the Ordinary Shares.

Before making a final investment decision, prospective investors should consider carefully whether an investment in the Company is suitable for them and, if they are in any doubt, should consult with an independent financial adviser authorised under FSMA which specialises in advising on the acquisition of shares and other securities in the UK or another appropriate financial adviser in the jurisdiction in which such investor is located who specialises in advising on the acquisition of shares and other securities.

1. Risks relating to the Group

Economic and political

1.1 Exposure of the Group to UK economic and political conditions

The educational services market is one which is subject to considerable political control and changes in policy in the UK, whether by the current government or a subsequent one, which could adversely affect the Company's ability to meet its objectives.

1.2 Overseas governments might impose special conditions on remote educational providers which could inhibit or even make it not possible for the Group to offer its services in certain markets.

1.3 InterHigh's product – secondary education – is a paid for service in a market where for UK students there is a free alternative provided by the UK government. The decision to buy the product is therefore discretionary and demand may be impacted by the financial well-being of individual customers. A general downturn in the UK economy might therefore negatively affect demand.

Management

1.4 The Company's success will depend on the performance and retention of the services of the existing personnel, the successful recruitment of the future management team, and on its ability to continue to attract and retain highly skilled and qualified personnel. There can be no assurance that the Company will retain the services of key personnel or any of the existing Directors, or attract or retain any senior managers or skilled and qualified employees.

1.5 The value of the Company is to some extent dependent on the expertise of the Directors and their ability to identify and acquire management and consultancy contracts on behalf of the business. The Company may be unable to gain such contracts as a consequence of which resources might have been expended without reward on investigative work and due diligence.

Acquisition

1.6 The Company may incur costs in conducting due diligence into potential acquisition opportunities that may not result in an investment being made.

1.7 In relation to any acquisitions, these could involve significant commercial and financial risks and there can be no certainty that any acquired business will not have a material adverse effect on the operations, results or financial position of the Company.

Ability to win or maintain market share

1.8 Whilst the Directors believe that the Group is developing a leading position in its chosen market in the UK, there are no assurances that competitors will not emerge or that the Group will maintain its existing market share.

1.9 Any such competitors may be able to respond more quickly to new or emerging technologies, changes in customer requirements and/or demands or devote greater resources to the development, promotion and sales of their products and services than the Group can. The Group's potential competitors may develop and introduce new products and services that could be priced lower, provide superior performance or achieve greater market acceptance than the Group's products and services.

1.10 The Group's potential competitors may establish financial and strategic relationships amongst themselves or with existing or potential customers or other third parties to increase the ability of their products to address customer needs. Accordingly, it is possible that new competitors or alliances amongst competitors could emerge and acquire significant market share. Existing and/or increased competition could, therefore, adversely affect the Group's market share and/or force the Group to reduce the price of its products, which could have a material adverse effect on the Group's performance, financial condition or business prospects.

Ability of the Group to expand into new markets

1.11 A key aspect of the Group's growth strategy envisages the Group selling new or existing products and services into new markets, in particular emerging economies especially China and East Africa. Whilst the Directors believe that these are viable areas for growth over the medium to longer term, there can be no guarantee that the Group will successfully execute this strategy for growth which may have a material adverse effect on the Group's future performance, financial condition or business prospects.

Technological Change

1.12 The Group operates in competitive markets and the industry in which the Group operates is subject to rapid technological changes which require the Group to continually adapt to such changes.

1.13 The Group operates in markets that are subject to constant technological development, evolving industry standards and changes in customer needs. Therefore, the Group is subject to the effects of actions by potential competitors in these markets and relies on its ability to anticipate and adapt to constant technological changes taking place in the industry. To maintain its strong position in the market, the Group needs to successfully market its products and services and respond both to commercial actions by competitors and other competitive factors affecting these markets, anticipating and adapting promptly to technological changes, changes in consumer preferences and general economic, political and social conditions.

Failure to do so effectively could have an adverse effect on the Group s business, prospects, results of operations, financial condition or the market price of the Ordinary Shares.

1.14 New products and technologies arise constantly while the development of existing products and technologies could render obsolete the products and services the Group offers and the technologies it uses. This could force the Group to invest in the development of new products, technology and services so that it can continue to compete effectively with current or future competitors. Such investments could reduce the revenue margins the Group obtains and adversely affect the Group's business.

Continued market acceptance of the Group's products and services

1.15 If the Group's products and services do not maintain their competitive advantage, the Group's performance, financial condition or business prospects may be materially adversely affected. The Group will need to continue to improve its products and services and to develop and market new products and services that keep pace with technological developments.

Unanticipated interruptions

1.16 The Group's business depends on providing customers with highly reliable services. Unanticipated network or other interruptions may occur as a result of system failures, (whether accidental or otherwise) including as a result of hardware or software failures, which affect the quality of or cause an interruption in the Group's service. Such failures can result from a variety of factors within the Group's control, including human error, equipment failure, power loss, failure of services related to the internet and telecommunications, physical or electronic security breaches, as well as factors outside the Group's control, such as sabotage, vandalism, system failures of network service providers, fire, earthquake, adverse weather and other natural disasters, water damage, fibre optic cable cuts, power loss not caused by the Group and terrorism.

1.17 The Group may not be able to meet the levels of service expected from customers or which it is required to meet in the event of service interruptions. Any such failure could result in customer dissatisfaction and reduced revenues and may also damage the Group's reputation and could reduce the confidence of the Group's customers in its services, impairing its ability to retain existing customers and attract new customers.

Data protection issues

1.18 Failure to comply with data protection legislation may leave the Group open to criminal and civil sanctions. In addition, unauthorised access to the Group's customer data could lead to reputational damage and loss of customer confidence which could therefore impair the volume of sales achieved by the Group.

Security Risks

1.19 The Group's customers typically expect it to comply with certain security obligations and data protection obligations, including back-up of data, ensuring its systems are virus-free, maintaining confidentiality procedures and ensuring the credentials of its enrolled students. The Group therefore may be required to expend significant capital or other resources to protect against the threat of security breaches and major virus attacks, or to alleviate problems caused by such breaches.

Furthermore, there can be no assurances that any security measures that the Group implements will not be circumvented in the future. Any resulting security breaches may cause significant disruption to the Group's operations and may potentially lead to litigation as a result of customers' data having been leaked. In addition, any breach of security may result in damage to the Group's reputation.

Future funding

1.20 The Company may need to raise additional funds in the future to finance, amongst other things, working capital, expansion of the business, new developments relating to existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity linked securities of the Company other than on a pro-rata basis to existing Shareholders, the percentage ownership of the Ordinary Shares by existing Shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emptions senior to the Ordinary Shares.

Tax

1.21 Any change in the Company's tax status or in taxation legislation may lead to a change in the status of the Company for the purposes of EIS relief and VCT relief and accordingly may have a material effect on the Company's business and/or could affect the Company's ability to provide returns to Shareholders. Statements in this document concerning the taxation of investors and/or Ordinary

Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of an investor.

2. Risks relating to the Company's securities

2.1 *General*

An investment in the Ordinary Shares is only suitable for investors capable of evaluating the risks (including the risk of capital loss) and merits of such investment and who have sufficient resources to sustain a total loss of their investment. An investment in the Ordinary Shares should be seen as long-term in nature and complementary to investments in a range of other financial assets and should only constitute part of a diversified investment portfolio. Accordingly, typical investors in the Company are expected to be institutional investors, private client fund managers and private client brokers, as well as private individuals who have received advice from their professional advisers regarding investment in the Ordinary Shares and/or who have sufficient experience to enable them to evaluate the risks and merits of such investment themselves.

2.2 The Company cannot assure investors that the Company's Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

2.3 The Ordinary Shares will be traded on AIM rather than admitted to the Official List. AIM is designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The rules of AIM are less demanding than those admitted to the Official List and an investment in shares traded on AIM may carry a higher risk than an investment in shares admitted to the Official List. In addition, the market in shares traded on AIM may have limited liquidity, making it more difficult for an investor to realise its investment on AIM than to realise an investment in a company whose shares are admitted to the Official List. Investors should therefore be aware that the market price of the Ordinary Shares may be more volatile than that of shares admitted to the Official List, and may not reflect the underlying value of the Company. Investors may, therefore, not be able to sell at a price which permits them to recover their original investment and could lose their entire investment.

The market price of the Ordinary Shares may fluctuate significantly in response to a number of factors, many of which may be out of the Group's control

2.4 The share price of publicly traded companies can be highly volatile. The price at which the Ordinary Shares may be quoted and the price which Shareholders may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Group and its operations and some which may affect the industry as a whole or quoted companies generally. These factors include those referred to in this Part II, as well as the Group's financial performance, the impact of Shareholders being released from lock-in restrictions, stock market fluctuations and general economic conditions. Share price volatility arising from such factors may adversely affect the value of an investment in the Ordinary Shares.

Dividends

2.5 The Company may not pay cash dividends on the Shares. Consequently, investors may not receive any return on their investment unless Ordinary Shares are sold for a price greater than the Placing Price.

2.6 While the Directors intend in due course to adopt a progressive dividend policy that maintains an appropriate level of dividend cover, there can be no assurance that the Company will pay dividends in the future. Any decision to declare and pay dividends in the future will be made at the discretion of the Board and will depend on, among other things, applicable law, regulations, restrictions, results of operations, financial condition, cash requirements, contractual restrictions, future projects and plans and other factors that the Board may deem relevant.

2.7 In addition, the Company's ability to pay dividends will depend on when the Directors consider it prudent and appropriate to do so and there can be no assurance that it will pay dividends.

Dilution of equity

2.8 Any future issue of equity securities by the Company could dilute the interests of Shareholders and decrease the trading price of the Ordinary Shares. The Company may issue equity or equity-linked securities in the future for a number of reasons, including to finance its operations and business strategy (including in connection with acquisitions and other transactions), to satisfy its obligations upon the exercise of then-outstanding options or other equity-linked instruments, if any, or for other reasons.

PART III

FINANCIAL INFORMATION ON THE GROUP

SECTION A – ACCOUNTANTS REPORT ON WEY EDUCATION PLC

shipleys LLP
Chartered Accountants & Professional Business Advisers

10 Orange Street, Haymarket
London WC2H 7DQ

DX – 40001 Covent Garden

T + 44 (0) 20 7312 0000
F + 44 (0) 20 7312 0022
E advice@shipleys.com

www.shipleys.com

The Directors
Wey Education Plc
Third floor
43-44 New Bond Street
Mayfair
London
W1S 2SA

and

The Directors
WH Ireland Limited
4 Colston Avenue
Bristol
BS1 4ST

7 December 2015

Dear Sirs

Wey Education Plc

We report on the consolidated financial information of Wey Education Plc and its subsidiaries (together "the Group") set out in Section B of Part III of the Admission Document, for the years ended 31 December 2012, 31 December 2013 and 31 December 2014 and the 8 month period ended 31 August 2015 ("the Financial Information"). The Financial Information has been prepared for inclusion in the Admission Document of Wey Education Plc ("the Company") dated 7 December 2015 on the basis of the accounting policies set out in note 5.1 to the Financial Information.

This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union. It is our responsibility to form an opinion as to whether the Financial Information gives a true and fair view, for the purposes of the Admission Document and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion on Financial Information

In our opinion, the Financial Information gives, for the purposes of the Admission Document dated 7 December 2015, a true and fair view of the state of affairs of Wey Education Plc and its subsidiaries as at 31 December 2012, 31 December 2013, 31 December 2014 and 31 August 2015 and of the Group's losses, cash flows and changes in equity for the years ended 31 December 2012, 31 December 2013 and 31 December 2014 and 8 month period ended 31 August 2015 in accordance with International Financial Reporting Standards as adopted by the European Union and has been prepared in a form that is consistent with the accounting policies adopted in Wey Education Plc's latest annual accounts.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

Shipleys LLP

SECTION B – HISTORICAL FINANCIAL INFORMATION ON WEY EDUCATION PLC

The Financial Information set out in this Section B has been prepared by the directors of Wey Education Plc on the basis set out in note 5.1.

1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	*31 December 2012* £	*31 December 2013* £	*31 December 2014* £	*31 August 2015* £
REVENUE		240,153	130,082	55,260	521,977
Cost of sales		–	–	(2,350)	(300,323)
GROSS PROFIT		240,153	130,082	52,910	221,654
Exceptional items	5.2	(76,400)	–	–	(55,960)
Equity based share payments		–	–	–	(51,739)
Administrative expenses		(619,439)	(291,922)	(350,256)	(457,856)
OPERATING LOSS	5.2	(455,686)	(161,840)	(297,346)	(343,901)
Finance costs		–	(6,947)	(15,562)	(11,810)
LOSS BEFORE TAXATION		(455,686)	(168,787)	(312,908)	(355,711)
Taxation	5.4	–	–	(205)	–
TOTAL COMPREHENSIVE INCOME		(455,686)	(168,787)	(313,113)	(355,711)
LOSS PER SHARE					
Basic and diluted loss per share (pence)	5.5	3.29	1.22	2.26	1.09

All the activities of the group are classed as continuing.

The group has no other recognised gains and losses other than the results set out above.

2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2012 £	31 December 2013 £	31 December 2014 £	31 August 2015 £
ASSETS					
Non current assets					
Goodwill	5.6	–	–	–	201,217
Intangible fixed assets	5.7	–	–	–	763,333
Tangible fixed assets	5.8	5,143	1,519	–	18,153
		5,143	1,519	–	982,703
Current assets					
Trade and other receivables	5.9	85,115	39,251	47,096	219,321
Cash and cash equivalents	5.10	42,944	84,287	5,785	97,434
		128,059	123,538	52,881	316,755
TOTAL ASSETS		133,202	125,057	52,881	1,299,458
EQUITY AND LIABILITIES					
Equity and reserves					
Share capital	5.16	138,652	138,652	138,652	439,711
Share premium	5.17	559,538	559,538	559,538	1,474,839
Option reserve	5.17	38,205	33,408	33,408	51,739
Retained earnings	5.17	(799,213)	(963,203)	(1,276,316)	(1,598,619)
TOTAL EQUITY AND RESERVES		(62,818)	(231,605)	(544,718)	367,670
Current Liabilities					
Trade and other payables	5.11	196,020	356,662	597,599	742,788
Non current liabilities					
Provision for liabilities	5.13	–	–	–	189,000
TOTAL EQUITY AND LIABILITIES		133,202	125,057	52,881	1,299,458

3 CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	*31 December 2012* £	*31 December 2013* £	*31 December 2014* £	*31 August 2015* £
Cash flows from operating activities					
Profit/(Loss) for the period before taxation		(455,686)	(168,787)	(312,908)	(355,711)
Adjustments for:					
Amortisation		–	–	–	86,667
Depreciation		3,685	3,624	1,519	2,092
Loss on disposal of fixed assets		–	–	–	142
Interest expense		–	6,947	15,562	11,810
Exceptional item – goodwill write off		76,400	–	–	–
Equity based share payments		–	–	–	51,739
Changes in working capital:					
Trade and other receivables		(34,815)	45,864	(8,050)	(140,905)
Trade and other payables		8,276	40,340	52,515	45,867
Net cash generated from/(used in) operating activities		(402,140)	(72,012)	(251,362)	(298,299)
Cash flow from investing activities					
Interest received		–	10	–	–
Acquisition of business net of cash		–	–	–	(228,109)
Purchase of fixed assets		–	–	–	(9,450)
Net cash (used in)/generated from investing activities		–	10	–	(237,559)
Cash flow from financing activities					
Funding provided by related parties		126,655	113,345	172,860	(35,493)
Issue of shares		–	–	–	663,000
Net cash (used in)/generated from financing activities		126,655	113,345	172,860	627,507
Net increase/(decrease) in cash and cash equivalents		(275,485)	41,343	(78,502)	91,649
Cash and cash equivalents brought forward		318,429	42,944	84,287	5,785
Cash and cash equivalents carried forward	5.10	42,944	84,287	5,785	97,434

4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital £	*Share Premium* £	*Option Reserve* £	*Retained Earnings* £	*Total* £
At 1 January 2012	138,652	559,538	89,761	(395,083)	392,868
Comprehensive Income					
Loss for the year	–	–	–	(455,686)	(455,686)
Total Comprehensive Income	–	–	–	(455,686)	(455,686)
Transactions with owners					
Transfer on lapsing of share options	–	–	(51,556)	51,556	–
At 1 January 2013	138,652	559,538	38,205	(799,213)	(62,818)
Comprehensive Income					
Loss for the year	–	–	–	(168,787)	(168,787)
Total Comprehensive Income	–	–	–	(168,787)	(168,787)
Transactions with owners					
Transfer on lapsing of share options	–	–	(4,797)	4,797	–
At 1 January 2014	138,652	559,538	33,408	(963,203)	(231,605)
Comprehensive Income					
Loss for the year	–	–	–	(313,113)	(313,113)
Total Comprehensive Income	–	–	–	(313,113)	(313,113)
At 1 January 2015	138,652	559,538	33,408	(1,276,316)	(544,718)
Transaction with owners					
Issue of shares for cash	175,000	525,000	–	–	700,000
Issue of shares on conversion of loan	27,813	83,437	–	–	111,250
Issue of shares for acquisition	86,246	301,864	–	–	388,110
Issue of shares in lieu of directors fees	12,000	42,000	–	–	54,000
Expenses associated with share issue	–	(37,000)	–	–	(37,000)
Transfer on lapsing of share options	–	–	(33,408)	33,408	–
Equity based share payments	–	–	51,739	–	51,739
Total Transaction with owners	301,059	915,301	18,331	33,408	1,268,099
Comprehensive Income					
Loss for the period	–	–	–	(355,711)	(355,711)
Total Comprehensive Income	–	–	–	(355,711)	(355,711)
At 31 August 2015	439,711	1,474,839	51,739	(1,598,619)	367,670

5 PRINCIPAL ACCOUNTING POLICIES

5.1 Basis of accounting

This financial information has been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial information has been prepared under the historical cost convention and presented in British Pounds, which is the Company's functional and presentation currency. A summary of the more important accounting policies is set out below.

The preparation of financial information in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Going concern

The directors consider that the expected operating cash flows of the Group and the proceeds of the placing and continued support from lenders give them confidence that the Group has adequate resources to continue as a going concern. As a result the Group continues to adopt the going concern basis in preparing the financial statements which assumes that the Company will continue to be able to meet its liabilities as they fall due for the foreseeable future.

New and amended standards and interpretations adopted by the Group

New amendments to standards that became mandatory for the first time for the financial year beginning 1 January 2014 are listed below. The new amendments had no significant impact on the Group's results other than certain revised disclosures.

- IFRS 10 'Consolidated financial statements'
- IFRS 11 'Joint arrangements'
- IFRS 12 'Disclosures of interests in other entities'
- IAS 27 (revised 2011) 'Separate financial statements'
- IAS 28 (revised 2011) 'Associates and joint ventures'
- Amendments to IFRS 10, 11 & 12 on transition guidance
- Amendments to IFRS 10, 12 & IAS 27 on consolidation for investment entities
- Amendment to IAS 32 on Financial instruments: asset and liability offsetting
- Amendment to IAS 36 'Impairment of Assets'
- Amendment to IAS 39 'Financial Instruments: Recognition and measurement'

New amendments to standards that became mandatory for the first time for the financial period beginning 1 January 2015 were the annual improvements IFRS's 2011-2013 Cycle. These amendments had no significant impact on the Group's results.

New standards, amendments and interpretations

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation
- Amendments to IAS 27, 'Separate financial statements' on equity accounting
- IFRS 9, 'Financial Instruments – classification and measurement
- IFRS 9, 'Financial Instruments' – amendment to hedge accounting
- IFRS 10, 'Consolidated Financial Statements'

- IFRS 11, 'Joint Arrangements' – amendment to accounting for acquisitions of interests in joint operations
- IFRS 15 'Revenue from contracts with customers'
- Annual improvements 2014
- Amendments to IAS 1,'Presentation of financial statements' disclosure initiative

The adoption of the above standards is not expected to have any material impact on the Group's results.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Basis of consolidation

The Group financial information consolidate the financial information of Wey Education plc ("the Company") and its subsidiaries (the "Group") for the period ended 31 August 2015.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The Group applies the acquisition method to account for business combinations. On acquisition the assets and liabilities and contingent liabilities of subsidiaries are measured at their fair values at the date of acquisition.

The financial information of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from them, are eliminated. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Definitions used in this financial information are as follows:

The Company	Wey Education plc
The Group	Wey Education plc, Wey Consultancy Limited (formerly Zail Enterprises Limited), InterHigh Education Limited; and Wey ecademy Limited (formerly Wey Education Business Services Limited).

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed.

As a consolidated statement of comprehensive income is published, a separate statement of comprehensive income for the parent company is omitted from the Group financial statements by virtue of section 408 of the Companies Act 2006. The loss dealt with the in the financial statements of the parent company was for the period ended 31 August 2015 was £257,008 (2014: £315,328; 2013: £237,713; 2012: £410,507).

Critical accounting estimates and assumptions

The preparation of financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the historical financial information and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual events ultimately may differ from those estimates.

Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes certain estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the historical financial information are considered to relate to:

Business combinations

The consideration transferred for the acquisition of the InterHigh Business is the fair value of the assets transferred, the liabilities incurred and any equity interest issued. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred in the income statement.

Identifiable assets and contingent assets acquired and identifiable liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The determination of fair values often requires significant judgements and the use of estimates. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

Carrying value of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units ('CGU') to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. The estimation of the timing and value of underlying projected cash flows and selection of appropriate discount rates involves management judgment. Subsequent changes to these estimates or judgments may impact the carrying value of the goodwill, which at 31 August 2015 was £201,217 (note 5.6).

Impairment of trade receivables

Management have undertaken an assessment in recognising provisions and contingencies. A provision for the impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all outstanding amounts in full due to the receivables being classified as 'bad' or there are indications that the collection is 'doubtful'. The amount of any loss is recognised in the income statement within administrative expenses. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement. The gross amount of trade receivables at 31 August 2015 is £126,118 and the associated provision is £88,657.

Fair value of equity-settled share-based payments

The calculation of the fair value of equity-settled share based awards and the resulting charge to the statement of comprehensive income requires assumptions to be made regarding future events and market conditions. These assumptions include the future volatility of the Company's share price. These assumptions are then applied to a recognised valuation model in order to calculate the fair value of the awards.

Revenue Recognition

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Deposits received from customers are not recognised as income. At the end of the contract they are returned to customers or set-off against amount due from the customer.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The Company's consultancy activities occur in the UK and the turnover relating to the educational services occur in a number of regions as set out in note 5.21.

Cash flow

The Group has elected to disclose its cash flows from operating activities using the indirect method that requires the profit or loss to be adjusted for the effects of non-cash movements, changes in working capital and items relating to investing and finance activities.

Share-based payments

The cost of share-based employee compensation arrangements, whereby directors and employees receive remuneration in the form of shares or share options, is recognised as an expense in the income statement. The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The assumptions underlying the number of awards expected to vest are subsequently adjusted for the effects of non market-based vesting to reflect the conditions prevailing at the balance sheet date. Fair value is measured by the use of a Black-Scholes pricing model. The expected life used in the model has been adjusted, based on the directors' best estimate, for the effects of the non-transferability, exercise restrictions and behavioural considerations. A Share Option Reserve has been established and contains the share options which are outstanding at the balance sheet date.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised, using the liability method, in respect of temporary differences between the carrying amount of the Group's assets and liabilities and their tax base. Deferred tax liabilities are offset against deferred tax assets within the same taxable entity or qualifying local tax group.

In the UK, the Company is entitled to a tax deduction for amounts treated as compensation on the exercise of certain options. As explained above a share-based payment charge is recorded in the income statement from the grant date and over the vesting period. As there is a temporary difference between the accounting and tax bases, a deferred tax asset is calculated by comparing the estimated amount of tax deduction to be obtained in the future, based on the Group's share price at the balance sheet date, with the cumulative amount of the share-based payment charge recorded in the income statement. A deferred tax asset is not recorded if the tax deduction is not expected to crystallise.

Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits, within the same jurisdiction, in the foreseeable future against which the deductible temporary difference can be utilised.

Deferred tax is determined using tax rates that are expected to apply in the periods in which the asset is realised or liability settled, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Current and deferred tax are recognised in the income statement, except when the tax relates to items charged or credited directly in equity, in which case the tax is also recognised in equity.

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.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

All the Group's financial assets are classified as 'trade and other receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Trade and other receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Cash and cash equivalents

In the Company's cash flow statement and balance sheet cash and cash equivalents includes cash at bank.

Financial liabilities

Financial liabilities include trade and other payables, and debt instruments issued by the Group.

Trade and other payables

Trade payables, which generally have 30-60 day terms, are recognised initially and carried at original invoice value. The Group considers there are no significant differences between the nominal value and fair value of trade and other payables.

Intangible assets

Goodwill

Intangible assets brought forward at 1 January 2012, comprise goodwill, obtained on the acquisition of Wey Consultancy Limited (formerly Zail Enterprises Limited) and on the acquisition of the InterHigh business.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to CGUs for the purpose of impairment testing. A CGU is identified at the lowest aggregation of assets that generate largely independent cash inflows, and that which is looked at by management for monitoring and managing the business.

If the recoverable amount of the CGU is less than the carrying amount, an impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment is recognised immediately in the income statement and is not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Other intangible assets

Purchased software and internally developed software: Software acquired by the Company which has a finite useful life is measured at cost less accumulated amortisation and any accumulated impairment losses. Expenditure on the research phase of projects to develop new customised software is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following criteria:

- the development cost can be measured reliably;
- the project is technically feasible and viable;
- the Company intends to and has sufficient resources to complete the project;
- the Company has the ability to use or sell the software; and
- the software will generate probable future economic benefits.

Intangible assets are carried at cost less accumulated amortisation and any impairment losses. Intangible assets arising on acquisition of subsidiaries or businesses are recognised separately from goodwill if the fair value of these assets can be identified separately and measured reliably.

Amortisation is calculated on a straight-line basis over the estimated useful life of the intangible asset. The useful life of the Company's intangibles asset is between 5 and 10 years, with a residual value of £Nil.

Impairment reviews are carried out if events or changes in circumstances indicate that the carrying value of an asset may be impaired. An impairment loss is recognised in the income statement when the asset's carrying value exceeds its recoverable amount. Its recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of the item, as follows:

Office equipment	20% on cost and 33.33% on cost
Fixtures and fittings	10% on cost

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Impairment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. Assets that are not available for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Operating leases

Operating leases under which a significant amount of the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to the income statement on a straight-line basis over the period of the respective leases.

Employee benefits

Termination benefits are recognised when, and only when, the Company commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

Employee entitlements to annual leave and long service payment due on retirement or termination are recognised when they accrue to the employees. A provision is made for the estimated liability for annual leave and long-service payment as a result of services rendered by employees up to the balance sheet date. The estimated liability is calculated net of expected reduction from benefits available from social security funds.

Employee entitlements to sick leave and other non-accumulating compensated absences are not recognised until the time of leave.

Provisions

Provisions are recognised if the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are discounted to present value where the effect is material.

The Company recognises a provision for deferred consideration at fair value. Where this is contingent on future performance or a future event, judgement is exercised in establishing the fair value.

The Company recognises a provision for onerous lease contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Notes to the Financial Information

5.2 Operating loss

Operating loss is stated after charging/(crediting):

	31 December 2012 £	*31 December 2013* £	*31 December 2014* £	*31 August 2015* £
Depreciation	3,685	3,624	1,519	2,092
Amortisation	–	–	–	86,667
Exceptional item – goodwill write off	76,400	–	–	–
Exceptional item – acquisition costs	–	–	–	55,960
Equity based share payments	–	–	–	51,739
Operating lease costs – land and buildings	20,270	3,509	–	7,456
Directors remuneration	157,041	5,769	54,000	56,250
Auditors remuneration:				
Audit fees	7,500	7,500	6,500	18,000
Other fees	2,750	–	–	2,700

5.3 Particulars of employees

Wages and salaries

	31 December 2012 £	*31 December 2013* £	*31 December 2014* £	*31 August 2015* £
Directors remuneration	157,041	5,769	54,000	56,250
Wages and salaries	66,118	94,628	90,000	340,702
Equity based share payments	–	–	–	36,274
Social security costs	27,659	12,628	16,473	23,975
	250,818	113,025	160,473	457,201

The average monthly number of employees (including directors) was:

	31 December 2012 Number	*31 December 2013 Number*	*31 December 2014 Number*	*31 August 2015 Number*
Sales and administration	4	4	4	32

5.4 Taxation

There was no taxation in the period due to the Company making tax losses during the period.

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of 2015: £293,607 (2014: £228,849; 2013: £166,683; 2012: £134,605) in respect of losses carried forward amounting to 2015: £1,468,035 (2014: £1,144,244; 2013: £833,415; 2012: £673,027) as it does not anticipate being able to offset these against future profits or gains in order to realise any economic benefit in the near term future.

5.5 Loss per Share

The basic loss per share has been calculated by dividing the loss for the year attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the year.

No diluted earnings per share is presented for the periods ended 31 August 2015, 31 December 2014, 31 December 2013 or 31 December 2012 as the effect on the exercise of share options would be to decrease the loss per share.

	31 December 2012 Number	*31 December 2013 Number*	*31 December 2014 Number*	*31 August 2015 Number*
Weighted average number of shares	13,865,198	13,865,198	13,865,198	32,684,985
	£	£	£	£
Loss from continuing activities	455,686	168,767	313,113	355,711
Basic and diluted loss per share	3.29p	1.22p	2.26p	1.09p

5.6 Goodwill

	Goodwill £
Cost	
Balance at 31 December 2012, 2013 and 2014	76,400
Acquired in the period	201,217
At 31 August 2015	277,617
Amortisation	
Balance at 31 December 2012, 2013 and 2014	76,400
Charge for the period	–
At 31 August 2015	76,400
Net Book Value	
At 31 August 2015	201,217
At 31 December 2012, 2013 and 2014	–

In view of the losses incurred the Board took the decision at 31 December 2012 to write off the goodwill which arose on the acquisition of Wey Consultancy (formerly Zail Enterprises Limited) and represented the excess of purchase consideration over assets acquired.

Goodwill represents the excess of the consideration transferred and transferable, over the fair value of the identifiable net assets acquired in relation to the InterHigh Business as set out in note 5.20. The net book value at 31 August 2015 was £201,217.

5.7 Intangible fixed assets

	Software £	*Other Intangible Assets* £	*Trade Marks and Brands* £	*Total* £
Cost				
Balance at 31 December 2012, 2013 and 2014	–	–	–	–
Acquired through business combination	400,000	350,000	100,000	850,000
At 31 August 2015	400,000	350,000	100,000	850,000
Amortisation				
Balance at 31 December 2012, 2013 and 2014	–	–	–	–
Charge for the period	43,333	37,917	5,417	86,667
At 31 August 2015	43,333	37,917	5,417	86,667
Net Book Value				
At 31 August 2015	356,667	312,083	94,583	763,333
At 31 December 2012, 2013 and 2014	–	–	–	–

Software acquired in material business combinations is capitalised at its fair value as determined by the directors. The net book value at 31 August 2015 of £356,667 will be written off over an estimated remaining useful economic life of 4 years.

Other intangible assets include the technology platform and the electronic library of materials which were acquired in material business combinations and have been capitalised at fair value as determined by the directors. The net book value at 31 August 2015 of £312,083 will be written off over an estimated remaining useful economic life of 4 years.

Trade marks and brands acquired in material business combinations is capitalised at its fair value as determined by the directors. The net book value at 31 August 2015 of £94,583 will be written off over an estimated remaining useful economic life of 9 years.

5.8 Tangible fixed assets

	Fixtures and Fittings £	*Office Equipment* £	*Total* £
Cost			
At 31 December 2012	–	11,055	11,055
Additions	–	–	–
At 31 December 2013	–	11,055	11,055
Disposals	–	(60)	(60)
At 31 December 2014	–	10,995	10,995
Acquisition through business combination	6,055	4,882	10,937
Additions	5,098	4,352	9,450
Disposals	–	(142)	(142)
At 31 August 2015	11,153	20,087	31,240
Depreciation			
At 31 December 2012	–	5,912	5,912
Charge for the year	–	3,624	3,624
At 31 December 2013	–	9,536	9,536
Eliminated on disposal	–	(60)	(60)
Charge for the year	–	1,519	1,519
At 31 December 2014	–	10,995	10,995
Charge for the period	482	1,610	2,092
At 31 August 2015	482	12,605	13,087
Net book value			
At 31 August 2015	10,671	7,482	18,153
At 31 December 2014	–	–	–
At 31 December 2013	–	1,519	1,519
At 31 December 2012	–	5,143	5,143

5.9 Trade and other receivables

	31 December 2012 £	31 December 2013 £	31 December 2014 £	31 August 2015 £
Trade receivables	73,402	26,066	8,494	37,461
Corporation tax repayable	205	205	–	–
Rent deposit	5,000	–	38,602	–
Other debtors	–	–	–	128,309
VAT recoverable	1,063	7,819	–	23,271
Prepayments and accrued income	5,445	5,161	–	30,280
	85,115	39,251	47,096	219,321

All trade and other receivables are receivable within twelve months from the end of the reporting period.

5.10 Cash and Cash equivalents

	31 December 2012 £	31 December 2013 £	31 December 2014 £	31 August 2015 £
Cash at bank	42,944	84,287	5,785	97,434

5.11 Trade and other payables

	31 December 2012 £	31 December 2013 £	31 December 2014 £	31 August 2015 £
Trade payables	47,281	83,159	32,152	108,734
Social security and other taxes	10,339	7,357	10,950	26,746
Accruals and deferred income	11,745	19,189	58,590	141,535
Other creditors	126,655	246,957	493,573	465,773
VAT	–	–	2,334	–
	196,020	356,662	597,599	742,788

All trade and other payables are payable in twelve months from the end of the reporting period.

Included in other creditors is an amount of £300,446 (2014: £400,519; 2013: £246,957; 2012: £65,000) due to Sandwood Limited a company controlled by Mr D.L. Massie, a director of the Company. The loan is secured by a Debenture covering the assets of Wey Education Plc, Wey Consultancy Limited, InterHigh Education Limited and Wey ecademy Limited.

5.12 Commitments under operating leases

The future minimum lease payments under non-cancellable operating leases at the end of each reporting period are set out below:

Land and Buildings	31 December 2012 £	31 December 2013 £	31 December 2014 £	31 August 2015 £
Operating lease commitments:				
Within one year	5,900	–	–	18,371
Second to fifth year inclusive	–	–	–	100,000
After five years	–	–	–	113,172
	5,900	–	–	231,543

5.13 Provisions for liabilities

	31 December 2012 £	31 December 2013 £	31 December 2014 £	31 August 2015 £
Deferred Consideration	–	–	–	189,000

The provision for deferred consideration is in respect of the acquisition of the trade and assets of Beta School Limited and is an estimate which is payable on the date of signing of the accounts for the year ended 31 August 2016.

	Deferred consideration £	*Total* £
Balance at 31 December 2012, 31 December 2013 and 31 December 2014	–	–
Provision for the period	189,000	189,000
At 31 August 2015	189,000	189,000

5.14 Financial risk management objectives and policies

The Company's financial instruments comprise cash and various other items, such as trade creditors that arise directly from its operations. The Company's exposure to its financial instruments are not material and therefore derivative financial instruments are not used to manage them.

The main risks arising from the Company's financial instruments can be analysed as follows:

Credit risk

Credit risk arises from cash and cash equivalents and credit exposures to customers.

Price risk

The Company does not currently hold any investments available-for-sale and therefore has no exposure to securities price risk.

Foreign currency risk

The Company has no significant transactions or balances denominated in foreign currencies and holds all cash balances in sterling. The Directors do not consider the Company to be subject to currency risk.

Liquidity risk

Liquidity risk is managed through an assessment of short, medium and long-term cash flow forecasts to ensure the adequacy of working capital. Short-term liquidity is managed through short-term borrowing facilities and short-term deposits.

Cash flow interest rate risk

The Company has no borrowings and on cash balances receives variable rate interest based on UK bank base rates.

5.15 Related Party Transactions

The Company charged Wey Consultancy Limited (formerly Zail Enterprises Limited) a management fee of £Nil (2014: £Nil; 2013: £Nil; 2012: £94,206). At 31 August 2015 the outstanding debt owed to

Wey Consultancy Limited by the Company was £73,467 (2014: £60,213; 2013: £59,887 due to the Company; 2012: £10,317 due to the Company).

The Company charged InterHigh Education Limited a management fee of £15,000 (2014: £Nil; 2013: £Nil; 2012: £Nil). At 31 August 2015 the outstanding debt owed by InterHigh Education Limited to Wey Education plc was £748,878 (2014: £Nil; 2013: £Nil; 2012: £Nil).

At 31 August 2015 the Group's and Company's liabilities had been funded by Sandwood Limited, a company controlled by Mr D.L. Massie, in the amount of £266,750 (2014: £378,000; 2013: £240,000; 2012: £65,000). Interest was charged in the period of £11,178 (2014: £15,562; 2013: £6,957; 2012: £Nil). Total loan interest accrued to 31 August 2015 was £33,698 (2014: £22,519; 2013: £6,957; 2012: £Nil) to give a total loan balance of £300,446 (2014: £400,519; 2013: £246,957; 2012: £65,000). On 2 April 2105 Sandwood Limited agreed to convert £111,250 of outstanding loan into 2,781,250 ordinary shares in the Company at 4.0p per share.

In the opinion of the directors there is no one controlling party but as at 31 August 2015 Mr D.L. Massie owns 29.99% (2014: 46.88%; 2013: 46.88%; 2012: 46.88%) of the issued share capital and as he controls Sandwood Limited the major lender of the Group he has significant influence.

On 26 March 2015 the exercisable date of the warrants issued to IAF Capital, a company owned by Mr Massie, was extended to 31 May 2018.

At 31 August 2015 the Group's and Company's liabilities had also been funded by Massie & Co, a partnership in which Mr D.L. Massie is a partner in the amount of £Nil (2014: £34,860; 2013: £Nil; 2012: £61,655).

During the period to 31 August 2015 the Company repaid Mr D.L. Massie £60,000 he had provided on behalf of Wey Education plc as security for costs that may arise in the High Court action against Ms Atkins. On 22 October 2014 Mr D.L. Massie provided a deposit of £69,600 as additional security. At 31 August 2015, £69,600 (2014: £69,600; 2013: £Nil; 2012: £Nil) is due to Mr D.L. Massie by the Company. The Company will be liable to reimburse Mr D.L. Massie if the deposit is not returnable at the completion of the court hearing.

On 1 August 2012 Wey Consultancy Limited became the subscriber for a company limited by guarantee, Wey Education Schools Trust ("WEST") (formally known as Third Millennium Education Trust). To meet compliance requirements of the DfE, the Group relinquished its membership of WEST on 9 October 2014 and Mr T. Scott and Mr D.L. Massie (both directors of the Company) and Mr G. Pinkerton (a corporate finance director of IAF Capital Limited, a company owned by Mr D.L. Massie) are now the three members.

5.16 Share capital

	31 December 2012	*31 December 2013*	*31 December 2014*	*31 August 2015*
	£	£	£	£
Allotted, called up and fully paid 43,971,082 (2014/2013/2012: 13,865,198) ordinary shares of £0.01 each	138,652	138,652	138,652	439,711

On 2 April 2015 the Company issued 8,624,634 Ordinary Shares of 1 p each at an issue price of £0.045 per share to Beta School Limited (the InterHigh vendor) as part consideration for the purchase of the InterHigh business.

On 2 April 2015 the Company issued 17,500,000 Ordinary Shares at an issue price of £0.04 per share.

On 2 April 2015 the Company issued 1,200,000 Ordinary Shares at an issue price of £0.045 per share to John Bridges and John Molyneux in lieu of Directors Fees.

On 2 April 2015 the Company issued 2,781,250 Ordinary Shares at an issue price of £0.04 per share for the conversion of £111,250 of the Sandwood Limited loan.

5.17 Other reserves

	Share premium £	*Option reserve* £	*Retained Earnings* £
At 1 January 2012	559,538	89,761	(395,083)
Loss for the year	–	–	(455,686)
Transfer on lapsing of share options	–	(51,556)	51,556
At 31 December 2012	559,538	38,205	(799,213)
Loss for the year	–	–	(168,787)
Transfer on lapsing of share options	–	(4,797)	4,797
At 31 December 2013	559,538	33,408	(963,203)
Loss for the year	–	–	(313,113)
At 31 December 2014	559,538	33,408	(1,276,316)
Issue of shares	952,301	–	–
Expenses	(37,000)	–	–
Loss for the period	–	–	(355,711)
Transfer on lapsing of share options	–	(33,408)	33,408
Equity based share payments	–	51,739	–
At 31 August 2015	1,474,839	51,739	(1,598,619)

5.18 Share options and warrants

The Group has a share option scheme for suppliers and for certain directors and employees. Options are exercisable at a price equal to the market price of the shares in the Company at the date of the grant. The share options vest immediately or over a period of up to 3 years and some are subject to various performance criteria. The options are settled in equity once exercised.

The reconciliation of warrants during the period is shown below:

	Number	*Weighted average exercise price (p)*	*Weighted average remaining contractual life (years)*
At 1 January 2012	693,260	5.00	4.26
At 31 December 2012	693,260	5.00	3.26
At 31 December 2013	693,260	5.00	2.26
At 31 December 2014	693,260	5.00	1.26
Effect of share issue on warrants	1,996,782	5.00	
Granted in the period	389,706	Market price	
At 31 August 2015	3,079,748	4.94	1.65

The exercise date of the warrants granted by the Company to IAF Capital Limited was extended on 26 March 2015 and will be exercisable in full or in part at any time at a price of 5.0p per ordinary share and expire on 31 May 2018.

The reconciliation of options during the period is shown below:

	Number	*Weighted average exercise price (p)*	*Weighted average remaining contractual life (years)*	*Number exercisable*	*Weighted average exercise price (p)*
At 1 January 2012	850,000	12.59			
Forfeited in the year	(550,000)	15.82			
At 31 December 2012	300,000	6.67	8.31	300,000	6.67
Forfeited in the year	(50,000)	15.00			
At 31 December 2013	250,000	5.00	7.26	250,000	5.00
Forfeited in the year	–				
At 31 December 2014	250,000	5.00	6.26	250,000	5.00
Forfeited in the period	(250,000)	5.00			
Granted in the period	5,750,000	4.52			
At 31 August 2015	5,750,000	4.52	7.92	1,250,000	4.60

Options which are not exercisable at 31 August 2015 consist of 500,000 ordinary shares which vest 3 years after grant, 800,000 ordinary shares which vest conditional on the company's share price performance and 3,200,000 ordinary shares which vest based on various non-market based corporate performance criteria.

In addition to the options described above, during the period to 31 August 2015, the company awarded Mr Massie a conditional share grant of 1,000,000 ordinary shares, subject to various non-market based corporate performance criteria.

The company recognised a total expense of £51,739 (2014: £Nil; 2013: £Nil; 2012: £Nil) in respect of share based payments.

The weighted average fair value of options and warrants granted during the period ended 31 August 2015 determined using the Black-Scholes valuation model was 4.66p per option. The significant inputs into the model were:

- Share price at the date of grant between 3.5p and 4.5p
- Exercise price of 4.5p or 5p
- Volatility of 40%
- Dividend yield of 0%
- Risk free interest rate of 2.0%
- Expected option life of between 2 and 10 years

5.19 Contingent liabilities

The Group has a contingent liability relating to an unresolved action brought by Ms Atkins to the Employment Tribunal. Ms Atkins originally issued proceedings in the Employment Tribunal. That action is stayed pending a High Court claim which the Company has made against Ms Atkins for breach of contract and breach of fiduciary duty. The case is due to be heard in April 2016. The Company has expensed all legal costs incurred in relation to the litigation to the financial year end notwithstanding that the Company has been advised by its solicitors that it will prevail at trial. In the opinion of the directors Ms Atkins is unlikely to be successful at the Employment Tribunal proceedings.

5.20 Acquisition of InterHigh Business

The fair value assets and liabilities assumed at the date of acquisition were as follows:

	£
Intangible fixed assets	
– Software	400,000
– Other intangible assets	350,000
– Trade marks and brands	100,000
Tangible fixed assets	10,937
Current assets	31,320
Current liabilities	(127,256)
	765,001
Cash	159,999
Net assets acquired	925,000

The goodwill arising on the acquisition was as follows:

	£
Deferred consideration	350,000
Cash consideration	388,109
Parent company share consideration	388,108
	1,126,217
Net assets acquired	(925,000)
Goodwill	201,217

On 3 February 2015, Beta School Limited and InterHigh Education Limited exchanged contracts to sell the assets and goodwill of the business ("InterHigh Business"), for an initial consideration of £776,217 (payable as to £388,109 in cash and £388,108 by the issue of 8,624,634 new ordinary shares in Wey Education plc), plus deferred consideration over the next 2 years equal to 50% of the incremental growth

in turnover of the InterHigh Business for each of the years to 31 August 2015 and 31 August 2016, to be satisfied as to 50% in cash and 50% in new ordinary shares of Wey Education plc.

5.21 Geographical analysis of turnover

	UK £	*Europe* £	*Middle East* £	*Africa* £	*Other Countries* £	*Total* £
2012						
Online Education	–	–	–	–	–	–
Consultancy	240,153	–	–	–	–	240,153
Total	240,153	–	–	–	–	240,153
2013						
Online Education	–	–	–	–	–	–
Consultancy	130,082	–	–	–	–	130,082
Total	130,082	–	–	–	–	130,082
2014						
Online Education	–	–	–	–	–	–
Consultancy	55,260	–	–	–	–	55,260
Total	55,260	–	–	–	–	55,260
2015						
Online Education	380,099	49,406	47,117	9,558	30,148	516,328
Consultancy	5,649	–	–	–	–	5,649
Total	385,748	49,406	47,117	9,558	30,148	521,977

5.22 Post Balance Sheet events

On 7 December 2015 the Company placed 50,000,000 new ordinary shares of 1p each with institutional and other shareholders, conditional, inter alia, on the Company's admission to AIM.

PART IV

FINANCIAL INFORMATION ON THE INTERHIGH BUSINESS

SECTION A – ACCOUNTANTS REPORT ON INTERHIGH BUSINESS

10 Orange Street, Haymarket
London WC2H 7DQ

DX – 40001 Covent Garden

T + 44 (0) 20 7312 0000
F + 44 (0) 20 7312 0022
E advice@shipleys.com

www.shipleys.com

The Directors
Wey Education Plc
Third floor
43-44 New Bond Street
Mayfair
London
W1S 2SA

and

The Directors
WH Ireland Limited
4 Colston Avenue
Bristol
BS1 4ST

7 December 2015

Dear Sirs

Interhigh Education Limited (and together with historical business acquired "Interhigh")

We report on the financial information of Interhigh set out in Section B of Part IV of the Admission Document, for the years ended 31 August 2013, 31 August 2014 and 31 August 2015 ("the Financial Information"). The Financial Information has been prepared for inclusion in the Admission Document of Wey Education Plc ("the Company") dated 7 December 2015 on the basis of the accounting policies set out in note 5.1 to the Financial Information.

This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union. It is our responsibility to form an opinion as to whether the Financial Information gives a true and fair view, for the purposes of the Admission Document and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Information is free from material misstatement whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because we were unable to obtain sufficient evidence to confirm the opening balance sheet at the commencement of the first period of the Financial Information.

Qualified opinion on Financial Information arising from limitation in the scope of our work

In our opinion, except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence to confirm the opening balance sheet position at the commencement of the first period of the Financial Information, the Financial Information gives, for the purposes of the Admission Document dated 7 December 2015, a true and fair view of the state of affairs of Interhigh as at 31 August 2013, 31 August 2014 and 31 August 2015 and of its profits, cash flows and changes in equity for the years ended 31 August 2013, 31 August 2014 and 31 August 2015 in accordance with International Financial Reporting Standards as adopted by the European Union and has been prepared in a form that is consistent with the accounting policies set out in note 5.1.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

Shipleys LLP

SECTION B – HISTORICAL FINANCIAL INFORMATION

The Financial Information set out in this Section B on Interhigh Education Limited for the three years ended 31 August 2015 has been prepared by the directors of Wey Education Plc on the basis set out in note 5.1.

1 STATEMENT OF COMPREHENSIVE INCOME

	Note	*31 August 2013*	*31 August 2014*	*31 August 2015*
REVENUE		631,117	776,217	1,082,244
Cost of sales		(474,124)	(500,488)	(602,114)
GROSS PROFIT		156,993	275,729	480,130
Exceptional items	5.2	(238,567)	–	(88,203)
Administrative expenses		(126,538)	(137,046)	(318,481)
OPERATING (LOSS)/PROFIT	5.2	(208,112)	138,683	73,446
Finance costs		(4,073)	(2,883)	(2,366)
(LOSS)/PROFIT BEFORE TAXATION		(212,185)	135,800	71,080
Taxation	5.4	392	(28,431)	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5.13	(211,793)	107,369	71,080

All the activities of the company are classed as continuing.

The company has no other recognised gains and losses other than the results for the years set out above.

2 STATEMENT OF FINANCIAL POSITION

	Note	31 August 2013	31 August 2014	31 August 2015
NON CURRENT ASSETS				
Intangible assets	5.5	–	–	964,550
Tangible fixed assets	5.6	10,368	11,039	18,153
Total non current assets		**10,368**	**11,039**	**982,703**
CURRENT ASSETS				
Trade and other receivables	5.7	65,275	29,562	72,760
Cash and cash equivalents	5.8	120,193	314,425	82,270
Total current assets		**185,468**	**343,987**	**155,030**
TOTAL ASSETS		**195,836**	**355,026**	**1,137,733**
EQUITY AND LIABILITIES				
Equity and reserves				
Share capital	5.12	–	–	1
Retained earnings	5.13	42,474	149,843	(103,303)
Total equity and reserves		**42,474**	**149,843**	**(103,302)**
CURRENT LIABILITIES				
Trade and other payables	5.9	97,898	160,312	1,052,035
Total current liabilities		**97,898**	**160,312**	**1,052,035**
NON CURRENT LIABILITIES				
Long term borrowings	5.10	53,391	42,663	–
Provisions for liabilities	5.11	2,073	2,208	189,000
Total non current liabilities		**55,464**	**44,871**	**189,000**
TOTAL EQUITY AND LIABILITIES		**195,836**	**355,026**	**1,137,733**

3 CASH FLOW STATEMENTS

	Note	*31 August 2013*	*31 August 2014*	*31 August 2015*
Cash flows from operating activities				
Profit/(Loss) for the period before taxation		(212,185)	135,800	71,080
Adjustments for:				
Amortisation of intangible fixed assets	5.5	–	–	86,667
Depreciation of fixed assets	5.6	4,323	2,986	3,582
Loss on disposal of assets		556	–	250
Interest expense		4,072	2,883	2,366
		(203,234)	141,669	163,945
Changes in:				
Trade and other receivables	5.7	243,419	35,713	(69,315)
Trade and other payables	5.9	27,710	50,962	20,600
Increase in intercompany		–	–	360,769
Cash generated from operating activities		67,895	228,344	475,999
Interest paid		(4,073)	(2,883)	(2,366)
Taxes paid		(9,014)	(17,147)	–
Net cash generated from operating activities		54,808	208,314	473,633
Cash flow from investing activities				
Purchase of tangible fixed assets	5.6	(3,705)	(3,657)	(10,946)
Acquisition of business net of cash	5.15	–	–	(388,108)
Disposal of business net of cash		–	–	(253,644)
Net cash used in investing activities		(3,705)	(3,657)	(652,698)
Cash flow from financing activities				
Proceeds from the issue of shares	5.12	–	–	1
Repayment of Borrowings	5.10	(39,236)	(10,425)	(53,091)
Net cash inflow used in financing activities		(39,236)	(10,425)	(53,090)
Net increase/(decrease) in cash and cash equivalents		11,867	194,232	(232,155)
Cash and cash equivalents brought forward		108,326	120,193	314,425
Cash and cash equivalents carried forward	5.8	120,193	314,425	82,270

4 STATEMENT OF CHANGES IN EQUITY

	Share Capital £	*Retained Earnings* £	*Total* £
At 1 September 2012	–	254,267	254,267
Comprehensive Income			
Loss for the year	–	(211,793)	(211,793)
Total Comprehensive Income	–	(211,793)	(211,793)
At 31 August 2013	–	42,474	42,474
Comprehensive Income			
Profit for the year	–	107,369	107,369
Total Comprehensive Income	–	107,369	107,369
At 31 August 2014	–	149,843	149,843
Transactions with owners			
Shares issued	1	–	1
Transferred on disposal	–	(324,226)	(324,226)
Total Transactions with owners	1	(324,226)	(324,225)
Comprehensive Income			
Profit for the year	–	71,080	71,080
Total Comprehensive Income	–	71,080	71,080
At 31 August 2015	1	(103,303)	(103,302)

5 PRINCIPAL ACCOUNTING POLICIES

5.1 Basis of accounting

The financial information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial information has been prepared under the historical cost convention and presented in British Pounds, which is the company's functional and presentation currency. A summary of the more important accounting policies is set out below.

The preparation of the financial information in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The financial information has been prepared to show the performance of the underlying business through the ownership period of Beta School Limited and the ownership of InterHigh Education Limited. The financial information has been prepared by combining the results of Beta School Limited for the period from 1 September 2012 to 13 February 2015 with the results of InterHigh Education Limited for the period from 13 February 2015 to 31 August 2015 and by reporting the financial position of Beta School Limited at 31 August 2013 and 31 August 2014 and the financial position of InterHigh Limited at 31 August 2015.

Going concern

The financial information has been prepared on a going concern basis which assumes that the company will continue to be able to meet its liabilities as they fall due for the foreseeable future.

Revenue Recognition

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year. Deposits received from customers are not recognised as income. At the end of the contract they are returned to customers or set-off against amount due from the customer.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. A significant majority of the company's activities occur in the UK and relate to educational services, so segmental reporting is not required.

Cash flow

The company has elected to disclose its cash flows from operating activities using the indirect method that requires the profit or loss to be adjusted for the effects of non-cash movements, changes in working capital and items relating to investing and finance activities.

Critical accounting estimates and assumptions

The preparation of financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the historical financial information and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual events ultimately may differ from those estimates.

Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

InterHigh Education Limited makes certain estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the historical financial information are considered to relate to:

Business combinations

The consideration transferred for the acquisition of the InterHigh Business is the fair value of the assets transferred, the liabilities incurred and any equity interest issued. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred in the income statement.

Identifiable assets and contingent assets acquired and identifiable liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The determination of fair values often requires significant judgements and the use of estimates. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.

Carrying value of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units ('CGU') to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. The estimation of the timing and value of underlying projected cash flows and selection of appropriate discount rates involves management judgment. Subsequent changes to these estimates or judgments may impact the carrying value of the goodwill, which at 31 August 2015 was £201,217 (note 5.5).

Impairment of trade receivables

Management have undertaken an assessment in recognising provisions and contingencies. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all outstanding amounts in full due to the receivables being classified as 'bad' or there are indications that the collection is 'doubtful'. The amount of any loss is recognised in the income statement within administrative expenses. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement. The gross amount of trade receivables at 31 August 2015 is £126,118 and the associated provision is £88,657.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised, using the liability method, in respect of temporary differences between the carrying amount of the company's assets and liabilities and their tax base. Deferred tax liabilities are offset against deferred tax assets within the same taxable entity or qualifying local tax company.

Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits, within the same jurisdiction, in the foreseeable future against which the deductible temporary difference can be utilised.

Deferred tax is determined using tax rates that are expected to apply in the periods in which the asset is realised or liability settled, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Current and deferred tax are recognised in the income statement, except when the tax relates to items charged or credited directly in equity, in which case the tax is also recognised in equity.

Long Term Borrowings

Borrowings are recognised initially at fair value, which is proceeds received net of transaction costs incurred. Borrowings are subsequently stated at amortised cost with any difference between the proceeds (net of transaction costs) and the redemption value being recognised in the income statement over the period of the borrowings using the effective interest method.

Accrued interest is included as part of borrowings. Interest on borrowings is expensed in the income statement as incurred.

Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

All the company's financial assets are classified as 'trade and other receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Trade and other receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Cash and cash equivalents

In the company's cash flow statement and balance sheet cash and cash equivalents includes cash at bank.

Financial liabilities

Financial liabilities include trade and other payables, and debt instruments issued by the company.

Trade and other payables

Trade payables, which generally have 30-60 day terms, are recognised initially and carried at original invoice value. The company considers there are no significant differences between the nominal value and fair value of trade and other payables.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to CGUs for the purpose of impairment testing. A CGU is identified at the lowest aggregation of assets that generate largely independent cash inflows, and that which is looked at by management for monitoring and managing the business.

If the recoverable amount of the CGU is less than the carrying amount, an impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment is recognised immediately in the income statement and is not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Other intangible assets

Purchased software and internally developed software: Software acquired by the company which has a finite useful life is measured at cost less accumulated amortisation and any accumulated impairment losses. Expenditure on the research phase of projects to develop new customised software is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following criteria:

– the development cost can be measured reliably;

– the project is technically feasible and viable;

– the company intends to and has sufficient resources to complete the project;

– the company has the ability to use or sell the software; and

– the software will generate probable future economic benefits.

Intangible assets are carried at cost less accumulated amortisation and any impairment losses. Intangible assets arising on acquisition of subsidiaries or businesses are recognised separately from goodwill if the fair value of these assets can be identified separately and measured reliably.

Amortisation is calculated on a straight-line basis over the estimated useful life of the intangible asset. The useful life of the company's intangibles asset is between 5 and 10 years, with a residual value of £Nil.

Impairment reviews are carried out if events or changes in circumstances indicate that the carrying value of an asset may be impaired. An impairment loss is recognised in the income statement when the asset's carrying value exceeds its recoverable amount. Its recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of the item, as follows:

Fixtures and fittings	10% on cost
Office equipment	20% on cost

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Impairment

The company assesses at each reporting date whether there is an indication that an asset may be impaired. Assets that are not available for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the company. All other leases are classified as operating leases.

Operating leases

Assets leased under operating leases are not recorded in the balance sheet. Rental payments are charged directly to the income statement on a straight line basis over the lease term. Any lease incentives, primarily up-front cash payments or rent-free periods, are capitalised and spread over the period of the lease term.

Employee benefits

Termination benefits are recognised when, and only when, the company commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

Employee entitlements to annual leave and long service payment due on retirement or termination are recognised when they accrue to the employees. A provision is made for the estimated liability for annual leave and long-service payment as a result of services rendered by employees up to the balance sheet date. The estimated liability is calculated net of expected reduction from benefits available from social security funds.

Employee entitlements to sick leave and other non-accumulating compensated absences are not recognised until the time of leave.

Provisions

Provisions are recognised if the company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are discounted to present value where the effect is material.

The company recognises a provision for deferred consideration at fair value. Where this is contingent on future performance or a future event, judgement is exercised in establishing the fair value.

The company recognises a provision for onerous lease contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Notes to the financial information

5.2 Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	31 August 2013 £	*31 August 2014* £	*31 August 2015* £
Depreciation of fixed assets	4,323	2,986	3,582
Amortisation of intangible fixed assets	–	–	86,667
Exceptional item – directors loan write off	238,567	–	–
Exceptional item – acquisition costs and disposal costs of business combinations	–	–	88,203
Loss on disposal of fixed assets	556	–	250
Directors remuneration	76,120	76,693	94,808

5.3 Particulars of employees

Wages and salaries

	31 August 2013 £	*31 August 2014* £	*31 August 2015* £
Directors remuneration	76,120	76,693	94,808
Wages and salaries	295,779	298,728	459,842
Social security costs	54,202	54,646	43,403
	426,101	430,067	598,053

The average monthly number of employees (including directors) was:

	31 August 2013 Number	*31 August 2014 Number*	*31 August 2015 Number*
Sales and administration	20	23	33

5.4 Taxation

The tax charge/(credit) on the profit on ordinary activities for the period was as follows:

	31 August 2013 £	*31 August 2014* £	*31 August 2015* £
Current tax:			
UK corporation tax	5,995	28,296	–
Refund re prior year	(6,038)	–	–
Total current tax	(43)	28,296	–
Deferred tax	(349)	135	–
	(392)	28,431	–

5.5 Intangible fixed assets

	Goodwill £	*Software* £	*Other Intangible Assets* £	*Trade marks and brands* £	*Total* £
Cost					
At 1 September 2012, 2013 and 2014	–	–	–	–	–
Acquired through business combinations	201,217	400,000	350,000	100,000	1,051,217
At 31 August 2015	201,217	400,000	350,000	100,000	1,051,217
Amortisation					
At 1 September 2012, 2013 and 2014	–	–	–	–	–
Amortisation for the year	–	43,333	37,917	5,417	86,667
At 31 August 2015	–	43,333	37,917	5,417	86,667
Net Book Value					
At 31 August 2015	201,217	356,667	312,083	94,583	964,550
At 31 August 2012, 2013	–	–	–	–	–

Goodwill represents the excess of the consideration transferred and transferable, over the fair value of the identifiable net assets acquired. The net book value at 31 August 2015 was £201,217.

Software acquired in material business combinations is capitalised at its fair value as determined by the directors. The net book value at 31 August 2015 of £356,667 will be written off over an estimated remaining useful economic life of 4 years.

Other intangible assets include the technology platform and the electronic library of materials which were acquired in material business combinations and have been capitalised at fair value as determined by the directors. The net book value at 31 August 2015 of £312,083 will be written off over an estimated remaining useful economic life of 4 years.

Trade marks and brands acquired in material business combinations is capitalised at its fair value as determined by the directors. The net book value at 31 August 2015 of £94,583 will be written off over an estimated remaining useful economic life of 9 years.

5.6 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 September 2012	26,766
Additions	3,705
Disposals	(2,527)
At 31 August 2013	27,944
Additions	3,657
Disposals	(1,438)
At 31 August 2014	30,163
Disposals through business combinations	(31,549)
Acquisitions through business combinations	10,937
Additions	10,946
Disposals	(252)
At 31 August 2015	20,245
Depreciation	
At 1 September 2012	15,224
Charge for the year	4,323
Disposals	(1,971)
At 31 August 2013	17,576
Additions	2,986
Disposals	(1,438)
At 31 August 2014	19,124
Charge for the year	3,582
Disposals through business combinations	(20,612)
Disposals	(2)
At 31 August 2015	2,092
Net book value	
At 31 August 2015	18,153
At 31 August 2014	11,039
At 31 August 2013	10,368

5.7 Trade and other receivables

	31 August 2013 £	*31 August 2014* £	*31 August 2015* £
Trade receivables	13,541	29,562	37,461
Other Debtors	–	–	35,299
Tax receivable	51,734	–	–
	65,275	29,562	72,760

All trade and other receivables are receivable within twelve months from the end of the reporting period.

5.8 Cash and Cash equivalents

	31 August 2013 £	*31 August 2014* £	*31 August 2015* £
Cash at bank	120,193	314,425	82,270

5.9 Trade and other payables

	31 August 2013 £	*31 August 2014* £	*31 August 2015* £
Bank loans and overdrafts	10,125	10,428	–
Trade payables	223	–	2,438
Tax	17,178	28,327	–
Social security and other taxes	–	13,836	15,366
Amounts due to parent company	–	–	748,878
Other creditors	–	2,227	161,000
Accruals and deferred income	70,372	105,494	124,353
	97,898	160,312	1,052,035

All trade and other payables are payable in twelve months from the end of the reporting period.

5.10 Long term borrowings

	31 August 2013 £	*31 August 2014* £	*31 August 2015* £
Bank loans due within			
– 1-2 years	10,124	10,426	–
– 2-5 years	30,372	31,278	–
– more than 5 years	12,895	959	–
	53,391	42,663	–
Repayable by instalments			
Bank loans more than 5 years	12,895	959	–

Secured debts

The following secured debts are included within creditors:

	31 August 2013 £	*31 August 2014* £	*31 August 2015* £
Bank loans and overdrafts	63,516	53,091	–

The debts were secured over land and buildings owned by Mr P. Daniell and Mrs J. Daniell.

5.11 Provisions for liabilities

	31 August 2013 £	*31 August 2014* £	*31 August 2015* £
Deferred tax			
Accelerated capital allowances	2,073	2,208	–
Deferred Consideration	–	–	189,000

The provision for deferred consideration is in respect of the acquisition of the trade and assets of Beta School Limited and is an estimate which is payable on the date of signing of the accounts for the year ended 31 August 2016.

	Deferred tax £	*Deferred consideration* £	*Total* £
Balance at 1 September 2012	2,422	–	2,422
Charge for the year	(349)	–	(349)
At 31 August 2013	2,073	–	2,073
Charge for the year	135	–	135
At 31 August 2014	2,208	–	2,208
Provision for the period	-	189,000	189,000
Eliminated through business combinations	(2,208)	–	(2,208)
At 31 August 2015	–	189,000	189,000

5.12 Share capital

	31 August 2013 £	*31 August 2014* £	*31 August 2015* £
Allotted, called up and fully paid			
1 (2014: Nil; 2013: Nil) ordinary shares of £1.00 each	–	–	1

Beta School Limited, which owned and operated the business until 13 February 2015, is a private company limited by guarantee which did not have any share capital.

InterHigh Education Limited was incorporated in England and Wales on 23 January 2015 as a limited company under the name Wey InterHigh Limited. It owned and operated the InterHigh business from 13 February 2015. On 22 April 2015 the company changed its name to InterHigh Education Limited. On incorporation the company issued 1 ordinary share of £1 fully paid to Wey Education Plc, the subscriber to the memorandum and articles of association.

5.13 Other reserves

	Retained Earnings £
Balance at 1 September 2012	254,267
Deficit for the year	(211,793)
At 31 August 2013	42,474
Surplus for the year	107,369
At 31 August 2014	149,843
Eliminated through business combinations	(324,226)
Surplus for the year	71,080
At 31 August 2015	(103,303)

5.14 InterHigh Business

Until 15 February 2015 the InterHigh Business was operated by Beta School Limited (previously InterHigh Education), a private company limited by guarantee which did not have share capital as a not for profit business. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the company in the event of liquidation.

On 3 February 2015, Beta School Limited and InterHigh Education Limited exchanged contracts to sell the assets and goodwill of the business ("InterHigh Business"), for an initial consideration of £776,217 (payable as to £388,109 in cash and £388,108 by the issue of 8,624,634 new ordinary shares in Wey Education Plc), plus deferred consideration over the next 2 years equal to 50% of the incremental growth in turnover of the InterHigh Business for each of the years to 31 August 2015 and 31 August 2016, to be satisfied as to 50% in cash and 50% in new ordinary shares of Wey Education plc.

The InterHigh Business has continued to operate throughout the period but has been disposed of by Beta School Limited and acquired on the same day by InterHigh Education Limited a private limited company which by its articles is not for profit.

5.15 Acquisition of InterHigh Business by InterHigh Education Limited

The fair value assets and liabilities assumed at the date of acquisition were as follows:

	£
Intangible fixed assets	
- Software	400,000
- Other intangible assets	350,000
- Trade marks and brands	100,000
Tangible fixed assets	10,937
Current assets	31,320
Current liabilities	(127,256)
	765,001
Cash	159,999
Net assets acquired	925,000

The goodwill arising on the acquisition was as follows:

	£
Deferred consideration	350,000
Cash consideration	388,109
Parent company share consideration	388,108
	1,126,217
Net assets acquired	(925,000)
Goodwill	201,217

5.16 Disposal of InterHigh Business by Beta School Limited

The assets and liabilities disposed of were as follows:

	£
Tangible fixed assets	10,937
Current assets	57,437
Cash	413,643
Current liabilities	(155,583)
Long term liabilities	(2,208)
Net assets disposed	324,226

5.17 Related Party Transactions

Beta School Limited

Beta School Limited is a company wholly owned and controlled by Mr P Daniell and Mrs J Daniell, both directors of InterHigh Education Limited.

On 13 February 2015 InterHigh Education Limited purchased the trade and assets of Beta School Limited which is further described in note 5.15 and 5.16 above. At 31 August 2015 the company owed Beta School Limited deferred consideration of £161,000 which is included in Other Creditors for respect of 2014/2015 and £189,000 is included in Provisions for liabilities and charges which is the estimated deferred consideration due after more than one year from the balance sheet date.

Between 13 February 2015 and 31 August 2015 Beta School Limited received and made payments from its bank account on behalf of the company and transferred the net amounts received to the company. The amount due to the company at 31 August was £18,955 and is included in Other Debtors.

Wey Education plc

Wey Education plc charged the company a management fee of £15,000 (2014: £Nil). The company borrowed £776,217 from Wey Education plc to finance the acquisition of the business and assets of Beta School Limited. At 31 August 2015 the outstanding debt owed by InterHigh Education Limited to Wey Education plc was £748,878 (2014: £Nil).

Mr P.F. Daniell

As at 1 August 2012 the balance of loans outstanding from Mr P.F. Daniell amounted to £238,567. An extraordinary general meeting was held in the year to 31 August 2013 where it was resolved to waive this debt. The amount is shown as an exceptional item in the financial statements for the year to 31 August 2013.

5.18 Ultimate Parent Company

As at 31 August 2015 Wey Education plc is regarded by the directors as being the company's ultimate parent company.

The company is a wholly owned subsidiary of Wey Education plc, a company registered in England and Wales.

In the opinion of the directors there is no one ultimate controlling party of Wey Education plc but as at 31 August 2015 Mr D.L. Massie owns 29.99% (2014: 46.88%) of the issued share capital of Wey Education plc and as he also controls Sandwood Limited the major lender of the Group he has significant influence.

5.19 Contingent liabilities

The parent company, Wey Education plc, has been funded through a loan from Sandwood Limited, a company controlled by Mr D. L. Massie. The loan outstanding at 31 August 2015 is £300,446.

The loan is secured by a debenture over the assets of Wey Education plc and all subsidiary companies including InterHigh Education Limited.

PART V

ADDITIONAL INFORMATION

1. Responsibility

1.1 The Company and its Directors, whose names and functions appear on page 5 of this document, accept responsibility, individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Directors (having taken all reasonable care to ensure that such is the case) the information contained in this document, for which they are responsible, is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation, registered office and website

2.1 The Company was incorporated in England and Wales on 14 August 2007, as a public limited company with the name of Wey Capital plc and with registered number 06342555.

2.2 The Company changed its name to Wey Education plc on 17 March 2011.

2.3 The Company's registered office and head office is at Third Floor, 43-44 New Bond Street, London W1S 2SA and the telephone number is +44 (0) 20 3384 7643. It is domiciled in England.

2.4 The Company's corporate website, at which the information required by Rule 26 of the AIM Rules for Companies can be found, is http://www.weyeducation.com

2.5 The Company is the holding company of the Group and has the following subsidiary undertakings all of which have their registered office at 43-44 New Bond Street, London W1S 2SA. The subsidiary undertakings are beneficially wholly-owned by the Company and the issued share capital is fully paid.

Name	*Country of incorporation*	*% shareholding*	*Principal activity*
InterHigh Education Limited	England and Wales	100%	Education Services
Wey Consultancy Limited	England and Wales	100%	Consultancy
Wey Ecademy Limited	England and Wales	100%	Non-trading

2.6 InterHigh Education Limited was incorporated on 23 January 2015 under its articles as a not for profit company, which means that it does not levy VAT on educational services in the UK.

3. Share capital

3.1 The Company passed resolutions on 13 August 2013 which increased the authorised share capital from £2,000,000 to £5,000,000 divided into 500,000,000 Ordinary Shares of 1p each, by the creation of an additional 300,000,000 Ordinary Shares of 1p each. The Directors were also authorised to allot shares up to a maximum aggregate nominal amount of £5,000,000, such authority to expire at the conclusion of the annual general meeting held in 2018.

3.2 During the 3 years prior to the date of this document, the following changes were made to the issued share capital of the Company:

(i) as at 1 January 2012, the Company's share capital was £138,651.98, divided into 13,865,198 Ordinary Shares credited as fully paid;

(ii) on 2 April 2015 the Company issued 8,624,634 Ordinary Shares of 1p each at an issue price of £0.045 per share to the InterHigh Vendor as part consideration for the purchase of its business, increasing the Company's share capital to £224,898.32;

(iii) on 2 April 2015 the Company issued 17,500,000 Ordinary Shares at an issue price of £0.04 per share, increasing the Company's share capital to £399,898.32;

(iv) on 2 April 2015 the Company issued 1,200,000 Ordinary Shares at an issue price of £0.045 per share to John Bridges and John Molyneux in lieu of Directors Fees, increasing the Company's share capital to £411,898.32; and

(v) on 2 April 2015 the Company issued 2,781,250 Ordinary Shares at an issue price of £0.04 per share for the conversion of £111,250 of the Sandwood Limited loan, increasing the Company's share capital to £439,710.82.

3.3 Accordingly, as at the date of this document, the share capital of the Company is £439,710.82 divided into 43,971,082 Ordinary Shares all of which have been issued.

3.4 After the allotment and issue of the New Ordinary Shares to be allotted in the Placing, the issued share capital of the Company will immediately after Admission be £939,710.82 divided into 93,971,082 Ordinary Shares of 1p each, all of which will have been issued.

3.5 Save in respect of the Placing, none of the Ordinary Shares have been marketed or are available in whole or in part to the public in conjunction with the application for the Ordinary Shares to be admitted to AIM.

3.6 The Ordinary Shares are in registered form, freely transferable, and are capable of being held in uncertificated form and admitted to CREST.

3.7 Save in relation to the Business Purchase Agreement, as disclosed at paragraph 10.1, the EMI Options, Options and Warrants disclosed at paragraph 5 and paragraph 6 below.

4. Articles of Association

4.1 The Articles of Association contain, among other matters, provisions to the following effect:

(i) *Objects*

The Articles of Association contain no restrictions on the Company's objects.

(ii) *Voting rights (Article 70-75)*

Subject to any rights or restrictions attached to any shares, on a show of hands every Shareholder who is present in person at a general meeting of the Company has one vote and a duly appointed proxy shall have one vote and on a poll every Shareholder who is present in person or by proxy has one vote for every Ordinary Share held by him. A member entitled to more than one vote, need not, if he votes, use all his votes or cast all the votes he uses in the same way. A Shareholder may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the appointing member. A proxy need not be a Shareholder of the Company.

(iii) *Variation of Rights (Article 10)*

Subject to the Act, if at any time the capital of the Company is divided into different classes of shares, the rights attached to shares of any class may be varied in such manner (if any) as may be provided by those rights; or with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. These conditions are not more stringent than required by law.

(iv) *Alteration of Capital (Article 45-47)*

The Company may by ordinary resolution increase its share capital, consolidate or sub-divide all or any of its shares or cancel any shares which have not been taken or agreed to be taken by any person.

If as a result of consolidation of shares any Shareholders would become entitled to fractions of a share, the Directors may on behalf of those Shareholders sell to any person the shares representing the fractions for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion amongst those members.

The Company may by special resolution, subject to any consent or confirmation required by law, reduce its authorised and issued share capital, any capital redemption reserve, any share premium account or other undistributable reserve in any manner.

These conditions are not more stringent than required by law.

(v) *Transfer of Ordinary Shares (Articles 28-34)*

The instrument of transfer of a share in certificated form may be in any usual form or in any other form which the Directors approve.

In the case of shares for the time being in uncertificated form, transfers shall be registered only in accordance with the terms of the Uncertificated Securities Register. The Directors may refuse to register a transfer of partly paid shares or of fully paid shares if such transfer would require shares to be held jointly by more than four persons.

If the Directors refuse to register a transfer of a share, they shall as soon as practicable or in any event, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of refusal together with reasons.

Subject to Uncertificated Securities Regulations, the registration of transfers of shares may be suspended as the Directors may determine.

(vi) *Dividends (Articles 119-126)*

Subject to the Act, the Company may by ordinary resolution declare dividends not exceeding an amount recommended by the Directors.

The Directors may pay such interim dividends as appear to the Directors to be justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the Directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend.

Subject to the provisions of the Act and except as otherwise provided by the Articles of Association or the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid.

Any dividend unclaimed for a period of 12 years from the date on which the dividend became payable shall be forfeited and revert to the Company.

(vii) *Suspension of rights (Article 40)*

If a member or any other person appearing to be interested in shares of the Company has been served with a notice under section 793 of the Act (a "793 Notice") and has not within the period specified in the 793 Notice, which must not be less than 14 days from the service or deemed service of the notice (or such further period as the Board may in its discretion allow), supplied to the Company the information required by the 793 Notice in respect of any shares (the "Relevant Shares") the Board may by notice in writing impose all or any of the sanctions set out in the Articles of Association on the registered holder of the Relevant Shares (the "Relevant Member"). These sanctions include if the Relevant Shares represent 0.25 per cent. or more of the issued shares of any class (calculated on the basis that treasury shares are ignored), that (a) the Relevant Members shall have no right to attend or vote at any general meeting, (b) the Relevant Member shall have no right to receive any dividend; and/or (c) the Board may decline to register any transfer of Relevant Shares other than a transfer through a recognised investment exchange or an overseas exchange or acceptance of a takeover offer; or in any case, that the Relevant Member shall have no right to attend or vote at a general meeting.

(viii) *Return of Capital (Article 140)*

If the Company is wound up, the liquidator may, with the sanction of a special resolution and any other sanction required by law, subject to the provisions of the Act, divide among the Shareholders in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he may with the like sanction determine, but no member shall be compelled to accept any assets upon which there is a liability.

(ix) *Borrowing Powers (Article 85 & 86)*

Subject to the paragraph below and to the Act, the Directors may exercise all the powers of the Company (i) to borrow money; (ii) to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital of the Company; (iii) to create and issue debentures and other securities; and (iv) to give security whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (as regards subsidiaries so far as by such exercise the board of Directors can secure) that the aggregate principal amount outstanding of all borrowings by the Group shall not, without the previous sanction of an ordinary resolution of the Company, at any time exceed an amount equal to £10,000,000 or five times the adjusted total of the share capital and consolidated reserves, whichever is the greater.

(x) *General meetings (Articles 51)*

Subject to the provisions of the Act, an annual general meeting shall be called by such minimum period of notice as provided under the Act. The notice shall specify the place, the date and the time of meeting and the general nature of the business to be transacted.

(xi) *Directors (Articles 82-111)*

Unless otherwise determined by ordinary resolution of the Company, the Directors shall not be less than two and not more than six in number.

At every annual general meeting of the Company at least one third of the Directors shall retire from office. Notwithstanding the foregoing, at every annual general meeting, every Director shall retire who was not appointed at either of the two annual general meetings and who has served as a director for more than two years since his last appointment or reappointment.

The remuneration of the Directors for their services as such (excluding any remuneration applicable to any employment or executive office) is determined by the Directors unless otherwise determined by the Company by ordinary resolution.

A Director shall not vote (or be counted in the quorum or vote) on any resolution of the Directors in respect of any matter in which he has, directly or indirectly, a material interest.

The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the articles prohibiting a Director from voting at a meeting of the Directors or of a committee of the Directors.

5. Share Options

5.1 On 13 February 2015 the Company granted Mr Tom Scott 4,000,000 EMI Options to subscribe for Ordinary Shares in the Company. The EMI Options are subject to performance criteria and are exercisable on or after 13 February 2018 in full or in part at a price of 4.5p per Ordinary Share and expire on 12 February 2025.

5.2 On 1 April 2015 the Company granted Mr John Molyneux 250,000 Options to subscribe for Ordinary Shares in the Company. The Options are exercisable in full or in part at any time at a price of 5p per Ordinary Share and expire on 31 May 2018.

5.3 On 1 July 2015 the Company granted Dame Erica Pienaar 500,000 Options to subscribe for Ordinary Shares in the Company. The Options are exercisable on or after 1 July 2018 in full or in part at any time at a price of 4.5p per Ordinary Share and expire on 30 June 2020.

5.4 On 1 April 2015 the Company granted Mr Massie Options to subscribe for 1,000,000 Ordinary Shares. The Options are exercisable in full or in part at any time at a price of 4.5p per Ordinary Share and expire on 31 March 2020.

5.5 On 26 March 2015 the Company awarded Mr Massie 1,000,000 Ordinary Shares credited as fully paid conditional on the achievement of certain targets relating to the favourable conclusion of the Atkins litigation and the growth in the Company's market capitalisation.

5.6 Pursuant to his letter of appointment with the Company dated 1 July 2015 particulars of which are also set out in paragraph 8.1 below, Mr Massie has been conditionally granted at par an aggregate of 5,000,000 Ordinary Shares in tranches conditional upon the middle market share price of the Company closing for a continuous period of 60 business days at the levels set out below:

Middle Market Price	*Date (On or before)*	*No of Shares*
10p	30 November 2018	1,666,666
15p	30 November 2019	1,666,666
20p	30 November 2020	1,666,667

In the event of a change of control of the Company prior to 31 August 2018 all 5,000,000 Ordinary Shares would be allotted to Mr Massie by way of remuneration providing that the offer made to all Shareholders was at least 10 pence per Ordinary Share.

If the appointment of Mr Massie terminates for whatever reason without a change of control he will retain the right after termination to be allotted Ordinary Shares by way of remuneration in accordance with the table set out above.

6. Warrants

6.1 On 18 March 2011 at the time of the Company's admission to ISDX, in consideration of services provided, Warrants were granted by the Company in favour of Mr Chris Phillips (a former chairman of the Company) to subscribe for such number of Ordinary Shares representing 2.0 per cent. of the issued share capital of the Company from time to time respectively. The Warrants are exercisable in full or in part at any time at a price of 5.0p per Ordinary Share and expire on 18 March 2016.

6.2 On 18 March 2011 at the time of the Company's admission to ISDX, in consideration of services provided, Warrants were granted by the Company in favour of Hadleigh Waymoth Limited (a company of which Mr Phillips is a director) to subscribe for such number of Ordinary Shares representing 0.5 per cent. of the issued share capital of the Company from time to time respectively, subject to a maximum of 500,000 Ordinary Shares. The Warrants are exercisable in full or in part at any time at a price of 5.0p per Ordinary Share and expire on 18 March 2016.

6.3 On 18 March 2011 at the time of the Company's admission to ISDX, in consideration of services provided, Warrants were granted by the Company in favour of IAF Capital to subscribe for such number of Ordinary Shares representing 2.5 per cent. of the issued share capital of the Company from time to time respectively. The exercise date of the Warrants was extended on 26 March 2015 and will be exercisable in full or in part at any time at a price of 5.0p per Ordinary Share and expire on 31 May 2018.

6.4 On 2 February 2015 Warrants were granted by the Company in favour of WH Ireland to subscribe for 389,706 Ordinary Shares in the Company. The Warrant is exercisable in full or in part at any time during the three years from the date of grant at a price equivalent to the mid-market price at which the Company's shares have traded during the period of 10 business days preceding the date of exercise.

6.5 The Warrant holders will have the right to assign and/or transfer their subscription rights pursuant to the terms of the Warrants.

6.6 No application is being made to AIM or any other trading market in respect of the Warrants.

7. Directors' and other interests

7.1 The interests of each Director, including the interests of their spouse, civil partner, any infant child and any other person whose interests in shares the Director is taken to be interested in pursuant to Part 22 of the Act, all of which, unless otherwise stated, are beneficial, in the issued share capital of the Company and the existence of which is known to, or could with reasonable diligence be ascertained by, the relevant Director, (a) as at the date of this document and (b) as they are expected to be immediately following Admission, are as follows:

	As at date of this document			*Immediately following Admission*		
Name	*No. of shares*	*% of issued share capital*	*No. of Options and Warrants*	*No. of shares*	*% of issued share capital*	*No. of Options and Warrants*
David Massie[1,2]	13,191,250	29.99	8,127,463	17,091,250	18.19	9,409,515
John Bridges	533,333	1.21	–	533,333	0.57	–
Dame Erica Pienaar	–	–	500,000	–	–	500,000
Thomas Scott	–	–	4,000,000	–	–	4,000,000

1. *The interests of Mr Massie in Options includes the Ordinary Shares to which he may become entitled pursuant to his letter of appointment referred to in paragraph 5.5 above.*

2. *Mr Massie is interested in the Warrants issued to IAF Capital described in paragraph 6.3 above which if no other options or Warrants are exercised amounts to 1,127,463 Ordinary Shares at the date of this document and will amount to 2,409,515 Ordinary Shares immediately following Admission.*

7.2 Save as disclosed in paragraphs 5, 6, 7.1 and 10.1 of this Part V, no share or loan capital of the Company is under option or immediately following Admission is or will be agreed conditionally or unconditionally to be put under option and no convertible or exchangeable securities of the Company are or will be in issue.

7.3 The Disclosure and Transparency Rules require a person who acquires or disposes of shares (or other financial instruments) carrying voting rights, and that acquisition or disposal results in the proportion of voting rights held by that person exceeding or falling below three per cent, (or any whole figure above three per cent), to disclose that interest to the Company. Save as set out in paragraph 7.1 above, and as set out below, the Company is not aware of any person who, at the date of this document, holds directly or indirectly three per cent. or more of the Company's voting rights:

	As at date of this document		*Immediately following Admission*	
Name	*No of shares*	*% of issued share capital*	*No of shares*	*% of issued share capital*
Livingbridge VC LLP	–	–	27,142,856	28.88
CF Miton Smaller Companies Fund	8,787,500	19.98	18,787,500	19.99
Paul Daniell and Jacqueline Daniell [1]	8,624,634	19.61	8,624,634	9.18
Guinness Asset Management	–	–	5,714,286	6.08
Investec Wealth & Investment Limited	1,705,110	3.88	1,705,110	1.81
John Molyneux	1,513,334	3.44	1,513,334	1.61

1. *These Ordinary Shares are registered in the name of Beta School Limited of which Paul Daniell and Jacqueline Daniell are the only members.*

None of the Company's major Shareholders listed above has voting rights which are different from the voting rights of other holders of Ordinary Shares.

7.4 The Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises at the date of this document, or could immediately following the Placing and Admission exercise, control over the Company.

7.5 There are no outstanding loans or guarantees which have been granted or provided to or for the benefit of any Director by the Company or any of its subsidiaries.

8. Directors' service agreements and letters of appointment

8.1 **Directors of the Company:**

David Massie

David was re-appointed a Director of the Company on 15 August 2012 and subsequently became Non-executive Chairman on 13 August 2013. He led the Company through the reorganisation referred to in section 2 of Part I of this document. During the period from his appointment until Admission, David has worked without remuneration and in addition Sandwood Limited, a company which he controls, made a series of loans to the Company to fund working capital requirements. It is intended that the balance remaining outstanding on those loans, amounting to £300,446 including accrued interest (charged at 5 per cent. per annum) as at 31 August 2015, be repaid from the Placing proceeds.

David has been confirmed as Non-executive Chairman pursuant to a letter of appointment with the Company dated 1 July 2015. The appointment is for an initial term of one year and is thereafter terminable on 1 month's notice by either party.

David will not be paid a salary from Admission but will be entitled by way of remuneration on a conditional basis to subscribe at par for up to an aggregate of 5,000,000 Ordinary Shares in tranches on the terms set out in paragraph 5.6 above. He is required to devote such time as is necessary for the proper performance of his duties.

On termination of his appointment upon a change of control, in addition to the option entitlement referred to in paragraph 5.6 above, David will become entitled to a termination payment of £50,000 per annum for each full year of service since Admission with a pro rata payment in respect of any partial year of service.

David is a partner of Massie & Co. and a director and shareholder of IAF Capital. Details of arrangements with these entities is more fully described in paragraphs 8.11, 8.12 and 8.13 below.

John Bridges

John Bridges has a letter of appointment as a Non-executive Director with the Company dated 29 June 2015. The appointment is terminable on one month's notice by either party. From Admission, Mr Bridges receives a fee of £12,000 per annum payable monthly in arrears and reviewed by the board of Directors annually. He is required to devote such time as is necessary for the proper performance of his duties.

John was paid a commission of £11,145 by IAF Capital out of its commission as described in paragraph 8.12 below and will be entitled to a commission as set out in paragraph 10.7(iii) below.

Dame Erica Pienaar

Dame Erica Pienaar has been appointed as a Non-executive Director under a letter of appointment with the Company dated 6 February 2015. The appointment is for a term of 12 months and continues thereafter terminable on three months' notice by either party. Dame Erica receives a fee of £12,000 per annum payable monthly in arrears and reviewed by the board of Directors annually. She has been granted Options over 500,000 Ordinary Shares exercisable at 4.5 pence per share. Dame Erica is required to devote such time as is necessary for the proper performance of her duties.

Thomas Scott

Thomas Scott has a service agreement with the Company dated 1 July 2015 to act as Chief Operating Officer. The agreement provides for an annual salary of £95,000 from Admission. The appointment is terminable on 12 months' written notice by either party. Mr Scott has been granted performance related EMI Options over 4,000,000 Ordinary Shares as set out in paragraph 5.1 of this Part V and has a performance related bonus.

8.2 **Directors of InterHigh**

Paul Daniell

Paul is employed by InterHigh pursuant to a service agreement dated 1 April 2015 to act as an executive director with the title "Director of Education". The agreement is for a fixed term expiring 24 months from 1 April 2015, and continues thereafter until terminated by either party by not less than 12 months' notice in writing unless there exist grounds for summary termination. The agreement provides for a salary of £50,000 per annum increasing to £55,000 per annum in the second year.

Jacqueline Daniell

Jacqueline is employed by InterHigh pursuant to a service agreement dated 1 April 2015 to act as an executive director with the title "Director of Development". The agreement is for a fixed term of 24 months from 1 April 2015 and continues thereafter until terminated by either party by not less than 12 months' notice in writing, unless there exist grounds for summary termination. The agreement provides for a salary of £50,000 per annum, increasing to £55,000 per annum in the second year.

8.3 Save as set out in paragraphs 8.1 and 8.2 above, there are no existing or proposed service agreements between any of the Directors and the Company or any of its subsidiaries.

8.4 In addition to being a director of the Company, the Directors have held or hold the following directorships (excluding subsidiaries of any company of which he or she is also a director) and/or have been/are a partner in the following partnerships within the five years immediately prior to the date of this document:

Director	*Current directorships/partnerships*	*Past directorships/partnerships*
David Massie	2 Cotleigh Road Limited Curzon Nominees Limited Darwen Leasing Limited DLM Holdings Limited IAF Capital Limited IAF Corporate Finance Limited IAF (PS) Nominees Limited International Asset Finance Limited J.M. Designs Limited Massie & Co. – *a partnership* Wey Education Schools Trust Wren Equipment Finance Limited *Overseas* Ecowas Refinery (Liberia) Limited IAF London S.A. IAF (SL) Limited Sierra Leone International Airlines Limited Zibo Holdings Limited	IAF Group plc

Director	*Current directorships/partnerships*	*Past directorships/partnerships*
John Bridges	Hanover Cash Limited J B Securities Limited Perth Global Funds plc Perth Partners LLP (*LLP Member*)	Challenger Investments Ltd Commercial Loan Services Limited Enterprise Acquisitions Plc IAF Corporate Finance LLP (*LLP Member*) I-Financial Services Group Plc NBS Corporate Finance LLP (*LLP Member*) Orange Corporate Finance Limited The London Islamic Finance Exchange Ltd Zebra Corporate Finance Limited
Dame Erica Pienaar	James Allen's Girls' School Wey Education Schools Trust	Partnerships for Schools Limited
Thomas Scott	Southwark Free Schools Trust TS Consulting Associates Limited Wey Education Schools Trust	None

8.5 Mr Massie was non-executive chairman of and a shareholder in IAF Group plc and its subsidiary IAF Securities Limited. IAF Securities Limited operated a private client stockbroker business which ran into liquidity problems after the Lehman crash in 2008 and entered into creditors' voluntary liquidation on 23 March 2009 with a deficit to unsecured creditors of £1.04 million of which £399,023 was due to IAF Group plc. The problems at IAF Securities Limited had a knock on effect on IAF Group plc, which also entered into creditors' voluntary liquidation on 17 April 2009 with a deficit to unsecured creditors of £549,534. Mr Massie at £390,365 was the largest unsecured creditor in the liquidation having advanced funds to assist the working capital position.

8.6 Mr Massie was a director of a subsidiary of IAF Group plc called Mayday Energy Centre Limited from 11 September 1996 to 17 November 1997 and was re-appointed on 30 October 1998. Mayday Energy Centre Limited, was formed solely for the purposes of a PFI project which was ultimately unsuccessful. It was placed in administrative receivership in March 2000 but the receiver was discharged in July 2002. There was no deficit to creditors.

8.7 Mr Massie was a director of two other subsidiaries of IAF Group plc, namely Cymtek Entertainment Simulators Ltd from 17 November 1998 to 12 September 2001 and PHM Marketing Services Ltd from 2 September 1993 to 17 February 1995. The investment by IAF Group plc in each company proved unsuccessful. Cymtek Entertainment Simulators Ltd was placed into creditors voluntary liquidation in 2000 with a deficit to creditors of £137,275 including IAF Group plc for £5,957. PHM Marketing Services Ltd was placed into creditors voluntary liquidation in 1999 with a deficit to creditors of £104,672.

8.8 Mr Massie was a director of Courtney plc from prior to 2 November 1992 to 19 April 2001. Courtney plc was placed into voluntary liquidation as part of a reconstruction of the IAF Group plc in 1998. The only unsecured creditor was IAF Group plc.

8.9 Mr Bridges was a partner of Tustain and L'Estrange which was declared insolvent in September 1974.

8.10 Save as disclosed in paragraph 8.5 to 8.9 above inclusive no Director:

(i) has any unspent convictions in relation to indictable offences; or

(ii) has been adjudged bankrupt or been the subject of an individual voluntary arrangement or has had a receiver appointed to any asset of such director; or

(iii) has been a director of any company which, while he or she was a director or within twelve months after he or she ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangement or made any composition or arrangement with its creditors generally or with any class of its creditors; or

(iv) has been a partner of any partnership which, while he or she was a partner or within 12 months after he or she ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement or has had a receiver appointed to any partnership asset; or

(v) has had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or

(vi) has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

8.11 Mr Massie is a partner in Massie & Co., a partnership which provides premises and administrative services to the Company pursuant to an agreement dated 1 July 2015. Massie & Co. is paid a fee of £1,000 per month for such services. The agreement is terminable on 7 days' notice by the Company and 3 months' notice by Massie & Co.

8.12 Mr Massie is the owner and the chairman and chief executive officer of IAF Capital. From 4 April 2011 to 4 September 2012 IAF Capital was the Company's ISDX corporate adviser. In relation to the placing of Ordinary Shares on 2 April 2015, and the InterHigh acquisition, IAF Capital was paid a corporate finance fee of £33,000 and commission of £35,000.

8.13 IAF Capital are acting as Placing Agent to the Company in relation to the AIM Admission and are due to receive a fee of £50,000 and commission of 5.00 per cent. of the gross placing proceeds on Admission.

8.14 Save as disclosed above none of the Directors is or has been interested in any transactions which is or was unusual in its nature or conditions or significant to the business of the Group and which was effected by the Company or any of its subsidiaries during the current or immediately preceding year or during any earlier financial year and which remains in any respect outstanding or unperformed.

9. Taxation

9.1 UK Taxation

The following statements are based on current UK law and the published practice of HM Revenue & Customs, which is subject to change at any time (possibly with retrospective effect). The information is given by way of general summary only and does not purport to be a comprehensive analysis of the tax consequences applicable to Shareholders and may not apply to certain classes of Shareholders, such as dealers in securities, or to Shareholders who are not absolute beneficial owners of their shares. In addition, except where the position of non-UK residents is expressly referred to, the following statements relate solely to Shareholders who are either resident, or in the case of individuals, ordinarily resident in the United Kingdom for tax purposes.

Any Shareholder who is in doubt as to his or her tax position or who is or may be subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate professional adviser without delay.

9.2 Taxation of dividends

Under current UK legislation, no tax is withheld from dividend payments by the Company. The Company assumes no responsibility for the withholding of tax at source.

A UK resident individual Shareholder will be entitled to a tax credit in respect of any dividend received from the Company and will be taxed on the aggregate of the dividend and the tax credit (the "Gross Dividend"). The value of the tax credit is one ninth of the dividend received (or ten per cent. of the Gross Dividend). The Gross Dividend will be treated as the top slice of the individual's income.

In the case of a UK resident individual who is liable to income tax at the starting, lower and basic rates only, there will be no further tax to pay on the dividend received. A UK resident individual who is liable to income tax at the higher rate will be subject to income tax on the Gross Dividend at 32.5 per cent, but will be able to set the tax credit off against part of this liability. As a result, such a Shareholder will be liable to pay further income tax equal to 22.5 per cent. of the Gross Dividend. A UK resident individual who is liable to income tax at the additional rate will be subject to income tax on the Gross Dividend at 37.5 per cent., but will be able to set the tax credit off against part of this liability. As a result, such a Shareholder will be liable to pay further income tax equal to 27.5 per cent. of the Gross Dividend. A UK resident Shareholder who is not liable to income tax on the dividend (or part of it) is not able to claim payment of the tax credit in cash from HM Revenue & Customs.

UK resident corporate Shareholders (including authorised unit trusts and open-ended investment companies) and pension funds will not normally be liable to UK taxation on any dividend received and are not entitled to payment in cash of the related tax credit.

Whether Shareholders who are resident for tax purposes in countries other than the UK are entitled to the whole or a proportion of the tax credit in respect of dividends on their Ordinary Shares depends in general upon the provisions of any double taxation convention or agreement which exists between such countries and the United Kingdom. In addition, individual Shareholders who are resident in countries other than the United Kingdom but who are nationals of member states of the European Economic Area or fall within certain other categories of person within section 56(3) Income Tax Act 2007 are entitled to the entire tax credit which they may set against their total UK income tax liability. Such Shareholders should consult their own tax advisers on the possible application of such provisions and any relief or credit which may be claimed in respect of such tax credit in their own jurisdictions. However, in general, cash payments are not recoverable from HM Revenue & Customs in respect of tax credits.

Non-UK resident Shareholders may also be subject to tax on dividends paid by the Company under any law to which they are subject outside the United Kingdom.

9.3 **Capital gains**

Shareholders who are resident for tax purposes in the United Kingdom may be liable to UK taxation on chargeable gains on a disposal of Shares, depending upon their individual circumstances and subject to any available exemption or relief.

A Shareholder who is not resident for tax purposes in the United Kingdom will not be liable to UK taxation on chargeable gains unless the Shareholders carries on a trade, profession or vocation in the UK through a branch or agency (in the case of an individual Shareholder) or through permanent establishment (in the case of a corporate Shareholder) in the United Kingdom and the Shares disposed of are, or have been, used, held or acquired for the purposes of such trade, profession or vocation or for the purposes of such branch, agency or permanent establishment. Such Shareholders may also be subject to tax under any law to which they are subject outside the United Kingdom.

A Shareholder who is an individual who, before 6 April 2013, has ceased to be resident or ordinarily resident for tax purposes for a period of less than five complete tax years of assessment and who disposes of Shares during that period may also be liable, on his or her return to the United Kingdom, to UK taxation on chargeable gains on that disposal.

The UK tax rules around residence have changed for departures on or after 6 April 2013. The concept of ordinary residence has been abolished and the rules follow the new statutory residence test. The main changes to this are that the test relating to five complete tax years is now five years or less from the date the individual becomes non-resident, and the year of departure is now split – with any income or gains arising after becoming non-resident potentially becoming taxable in the year of return.

Where a Shareholder is within the charge to corporation tax, a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemption or relief. Corporation tax is charged on a chargeable gains at the rate applicable to that company. Indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax, but may not create or increase a loss. A lower rate of capital gains tax (10 per cent.) is available in certain circumstances should certain conditions apply (entrepreneurs relief).

9.4 **Inheritance tax**

The Ordinary Shares are assets situated in the United Kingdom for the purposes of UK inheritance tax. A gift of Ordinary Shares by or the death of, an individual Shareholder may (subject to certain exemptions and reliefs, which in cases have restrictions around quoted shares) give rise to a liability to UK inheritance tax even if the Shareholder is neither domiciled nor deemed to be domiciled in the United Kingdom.

9.5 **Stamp duty and stamp duty reserve tax**

The following comments are intended as a guide to the general UK stamp duty and stamp duty reserve tax (SDRT) position and do not apply to persons such as market makers, brokers, dealers or intermediaries or where the Ordinary Shares are issued to a depositary or clearing system or its nominee or agent.

No stamp duty or SDRT will be payable on the issue of Ordinary Shares, save to a person who issues depositary receipts or provides clearance services in respect of the Ordinary Shares or to a nominee or agent of such person, in which case SDRT will be payable at the rate of 1.5 per cent. of the issue price. The Company will not be responsible for the payment of SDRT in any such case.

Where Ordinary Shares are held in certificated form, no stamp duty or SDRT will arise on a transfer of such Ordinary Shares into CREST unless such transfer is made for a consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5 per cent.) will arise. Paperless transfers of Ordinary Shares within CREST will be liable to SDRT rather than stamp duty.

Any transfer of, or agreement to transfer, Ordinary Shares outside CREST made for a consideration in money or money's worth will give rise to a liability on the purchaser to stamp duty or SDRT, in the case of stamp duty usually at the rate of 0.5 per cent. of the consideration paid (and rounded up to the next £5) and, in the case of SDRT, normally at the rate of 0.5 per cent. of the consideration paid.

Stamp duty and SDRT is no longer chargeable on transactions in securities admitted to trading on a "recognised growth market" such as AIM.

The information in this section is intended as a general summary of certain elements of the UK tax position and should not be construed as constituting advice. Potential investors should obtain advice from their own investment or taxation adviser.

10. Material contracts

Set out below is a summary of contracts (other than contracts entered into in the ordinary course of business) entered into by any member of the Group (1) within the two years preceding the date of this document and which are or may be material to the Group; or (2) which contain any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document.

10.1 **Business Purchase Agreement**

The Business Purchase Agreement dated 3 February 2015 and made between:

(i) the Company;

(ii) the InterHigh Vendor;

(iii) Paul Daniell and Jacqueline Daniell (the "Owners"); and

(iv) InterHigh

under which InterHigh agreed to purchase the InterHigh Business as a going concern.

Under the Business Purchase Agreement:

(i) an initial consideration of £776,217 was paid to the InterHigh Vendor of which £388,109 was paid in cash upon completion and the balance was satisfied by the allotment and issue on completion of 8,624,634 Ordinary Shares;

(ii) deferred consideration is payable to the InterHigh Vendor of an amount equal to 50 per cent. of the incremental growth in turnover for each of the years ending 31 August 2015 and 31 August 2016. InterHigh shall pay the InterHigh Vendor the deferred consideration equally in Ordinary Shares and cash;

(iii) the InterHigh Vendor and the Owners jointly and severally gave certain warranties in relation to their capacity to sign the Business Purchase Agreement as well as substantive warranties in relation to the business and the information they had provided; and

(iv) the Owners entered into service agreements with InterHigh on completion for an initial fixed term of two years commencing on 1 April 2015.

10.2 **Lease**

By an underlease dated 1 May 2015 the Company was granted by Ibex Services Limited an underlease until 10 March 2025 of Unit 4, Parry House, Elvicta Estates, Crickhowell, Powys at an initial rent of £12,500 per annum until 25 March 2016, then £25,000 per annum until 25 March 2018 and further reviewable on 25 March 2021 and 25 March 2024.

10.3 **Admission Agreement**

Under the Admission Agreement dated 7 December 2015, made between the Company, the Directors and WH Ireland, WH Ireland has agreed to use its reasonable endeavours to procure that Admission takes place.

Under the Admission Agreement:

(a) the Company has agreed to pay WH Ireland an advisory fee of £75,000 due on Admission;

(b) the Company has agreed to pay WH Ireland's costs and related reasonable expenses; and

(c) the Company and the Directors have given certain representations and warranties to WH Ireland as to the accuracy of the information in this document and as to other matters relating to the Group and its business. The Company has also given an indemnity to WH Ireland for itself and as trustee for associated companies, directors and employees in respect of certain liabilities arising out of or in connection with Admission.

The Admission Agreement may be terminated by WH Ireland if certain circumstances occur prior to Admission including a material breach of the representations and warranties referred to above.

10.4 **Nominated Adviser Agreement**

The Company and WH Ireland have entered into a nominated adviser agreement dated 7 December 2015, (the "Nominated Adviser Agreement") pursuant to which and conditional on Admission, the Company has appointed WH Ireland to act as its nominated adviser and broker for the purposes of the AIM Rules. The Nominated Adviser Agreement may be terminated (i) on three months' notice on or after 12 months from Admission; (ii) summarily at any time for amongst other reasons, material breach of the Nominated Adviser Agreement; or (iii) otherwise in accordance with the terms of the Nominated Adviser Agreement. Under the Nominated Adviser Agreement WH Ireland is entitled to £25,000 per annum, payable quarterly by the Company and;

(i) the Company has given certain undertakings in respect of, among other matters, compliance with all laws and regulations; and

(ii) the Company has agreed to indemnify WH Ireland for amongst other things, any loss suffered arising out of any of the documents issued or supplied by the Company in connection with the appointment.

10.5 **Placing Agreement**

Under the Placing Agreement dated 7 December 2015, made between the Company, the Directors and IAF Capital, IAF Capital has agreed to act as Placing Agent for the Company to use its reasonable endeavours to procure placees for the New Ordinary Shares at the Placing Price. The Placing Agreement is conditional, among other matters, on Admission taking place not later than 11 December 2015 (or such later date as IAF Capital and the Company may agree, but in any event no later than 31 January 2016).

Under the Placing Agreement:

(i) the Company has agreed to pay IAF Capital an advisory fee of £50,000 due on Admission, and a placing commission of 5.0 per cent. of the value of the New Ordinary Shares;

(ii) the Company has agreed to pay the Placing costs and related reasonable expenses; and

(iii) the Company and the Directors have given certain representations and warranties to IAF Capital as to the accuracy of the information in this document and as to other matters relating to the Group and its business. The Company has also given an indemnity to IAF Capital for itself and as trustee for associated companies, directors and employees in respect of certain liabilities arising out of or in connection with the Placing.

The Placing Agreement may be terminated by IAF Capital if certain circumstances occur prior to Admission including a material breach of the representations and warranties referred to above.

10.6 **Lock-In Deeds**

(i) By Lock-In deeds dated 7 December 2015 made between each of (1) David Massie and John Bridges, ("Individual Covenantors") (2) the Company and (3) WH Ireland each of the Individual Covenantors has covenanted separately to the Company and to WH Ireland that he will not without the prior written consent of WH Ireland and the Company (save in certain limited circumstances) effect any disposal of any Ordinary Shares in the Company during the 12 month period following Admission and during the successive year may only effect a disposal with the consent of the broker (not to be unreasonably withheld).

(ii) The Business Purchase Agreement between (1) Paul Daniell and Jaqueline Daniell, (2) the InterHigh Vendor, (3) InterHigh and (4) the Company contained Lock-in provisions whereby the InterHigh Vendor agreed not to sell, transfer or otherwise dispose of the Ordinary Shares received as part of the Business Purchase Agreement dated 3 February 2015 until 12 months after the date upon which the last deferred consideration shares are received and that for 6 months thereafter any sale shall be subject to the applicable orderly market requirements of the Company's broker.

10.7 **Related party transactions**

(i) *David Massie:*

The following transactions between the Company and David Massie, or legal entities connected with him, are considered to be related party transactions:

(a) extension of term of IAF Capital warrants on 26 March 2015;

(b) the Option granted to Mr Massie on 1 April 2015;

(c) the agreement entered into on 1 July 2015 with Massie & Co for administrative services to the Company;

(d) the Placing Agreement; and

(e) proposed repayment of the loan from Sandwood Limited which amounted at 31 August 2015 to £300,446 including accrued interest (charged at 5 per cent. per annum) out of the proceeds of the Placing.

The Directors of the Company (other than David Massie) considered the terms of these transactions and agreements and the fees payable thereunder to be fair and reasonable insofar as Shareholders are concerned.

(ii) *Tom Scott and Dame Erica Pienaar:*

David Massie and John Bridges, as independent Directors for this purpose, considered the terms of the options granted to Tom Scott and Dame Erica Pienaar to be fair and reasonable insofar as Shareholders are concerned.

(iii) *John Bridges:*

As described in paragraph 8.1 above, Mr Bridges was paid a commission by IAF Capital out of the commission IAF Capital received in April 2015. A similar arrangement is in place for the Placing and it is anticipated that Mr Bridges will be paid approximately £10,500 from IAF Capital's commission.

(iv) *Other transactions*

(a) Related party transactions for the period ended 31 August 2015 as set out in note 21 of the Company's Annual Report and Accounts.

(b) Related party transactions for the year ended 31 December 2014 are as set out in note 13 of the Company's Annual Report and Accounts for that year.

(c) Related party transactions for the year ended 31 December 2013 are as set out in note 14 of the Company's Annual Report and Accounts for that year.

(d) Related party transactions for the year ended 31 December 2012 are as set out in note 14 of the Company's Annual Report and Accounts for that year for that year.

(v) Save as disclosed in this paragraph, the Company has not entered into any related party transactions in respect of the periods for which the historical financial information appears in this document and in respect of periods to 4 December 2015 (being the latest practicable date prior to the publication of this document).

11. Working capital

In the opinion of the Directors, having made due and careful enquiry and taking account of the proceeds of the Placing, the working capital available to the Group will be sufficient for its present requirements, that is for at least the 12 months from the date of Admission.

12. Significant change

Save as disclosed in paragraph 3.4 in Part V of this document and may arise pursuant to the Business Purchase Agreement there has been no significant change in the financial or trading position of the Group since 31 August 2015, the date to which the Group's last audited accounts were published.

13. Litigation

13.1 Following her resignation, Ms Zenna Atkins, the Company's former CEO, issued Employment Tribunal proceedings alleging constructive dismissal. The Company vigorously denies such but those proceedings are currently stayed as the Company issued proceedings on 30 October 2013 against Ms Atkins in the High Court seeking damages for breach of contract and breach of her statutory fiduciary duties under the Act. The expert witness testimony submitted by the Company's expert assesses the Company's loss at over £1 million. The trial of the action was originally scheduled for April 2015. Amongst several claims by the Company, is an allegation that before her departure, Ms Atkins deleted and removed or caused to be deleted all email records concerning her employment and removed but retained copies of certain emails and other documents containing confidential and/or proprietary information, which meant the Company no longer had those records. Shortly before trial the Company learned that Ms Atkins had in her possession a substantial quantity of Company documents and emails, currently said to be 16,577. As a result, the trial was adjourned to April 2016. Ms Atkins is in the process of giving the Company access to those documents. In the proceedings, the Company has lodged £60,000 by way of security for costs. This sum would be released to the Company upon a successful conclusion to the litigation. Separately on 22 October 2014 Mr Massie lodged £69,600 as security for the Company which if not released to the Company upon conclusion of the litigation, the Company would be liable to reimburse him.

The Company has expensed all legal costs incurred in relation to the litigation to 31 August 2015 notwithstanding that upon obtaining judgement it should be entitled to recover such costs.

13.2 Save as disclosed above, no member of the Group is or has been engaged in any governmental, legal or arbitration proceedings, and the Company is not aware of any such proceedings, pending or threatened, by or against the Group, which may have, or has had during the 12 months preceding the date of this document, a significant effect on the Group's financial position or profitability.

14. General

14.1 **Expenses**

The total costs and expenses of, and incidental to, the Placing and Admission, are estimated to amount to £227,500 (excluding VAT) and are payable by the Company.

14.2 **Nature of financial information**

(i) The financial information in this document relating to the Group does not comprise statutory accounts within the meaning of the Act. Statutory accounts for the Company for the period from incorporation have been delivered to the Registrar of Companies in England and Wales.

(ii) The statutory accounts of the Company for the period ended 31 August 2015 and for the year ended 31 December 2014 and 31 August 2015 were audited by Shipleys LLP who gave reports pursuant to section 495 of the Act in respect of these accounts and each such report was an unqualified report and did not contain a statement under sections 498(2) or (3) of the Act.

14.3 **Third-party information**

Where information in this document has been sourced from a third party, this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

14.4 **Consents**

(i) WH Ireland has given and has not withdrawn its written consent to the issue of this document with the inclusion in this document of its name in the form and context in which it appears.

(ii) IAF Capital has given and has not withdrawn its written consent to the inclusion in this document of its name and of the references to its name in the form and context in which they respectively appear.

(iii) Shipleys LLP has given and has not withdrawn its written consent to the issue of this document with the inclusion in it of its name in the form and context in which it appears and has authorised the contents of those parts of this document for the purposes of the AIM Rules for Companies.

14.5 **Benefits received from the Company**

Save as set out in paragraph 10.7 (iii), no person (excluding professional advisers named in this document and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding the application for Admission; or entered into any contractual arrangement to receive, directly or indirectly, from the Company on or after Admission, any fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more (calculated by reference to the Placing Price) or any other benefit to a value of £10,000.

14.6 **Miscellaneous**

(i) The Ordinary Shares being placed pursuant to the Placing have a nominal value of 1 pence each and will be issued at a premium of 2.5 pence per share. The rights attaching to the new and existing Ordinary Shares will be uniform in all respects and they will form a single class for all purposes.

(ii) Directors' and officers' liability insurance has been effected by the Company in respect of each of the Directors for an aggregate sum assured of £2.0 million.

(iii) Directors' and officers' Prospectus liability insurance has been effected by the Company in respect of each of the Directors for an aggregate sum assured of £2.5 million.

(iv) There have not been any interruptions to the business of the Group which may have, or have had, a significant effect on the Company's financial position in the last 12 months.

(v) The Directors are not aware of any arrangement under which future dividends are waived or agreed to be waived.

(vi) The ISIN number for the Ordinary Shares is GB00B54NKM12.

15. Availability of documents

Copies of this document will be available, free of charge to the public, at the Company's registered office during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the date falling one month after the date of Admission.

Dated: 7 December 2015

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