COMPANY REGISTRATION NUMBER 06342555

WEY EDUCATION PLC

ANNUAL REPORT

31 DECEMBER 2014

WEY EDUCATION PLC

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WEY EDUCATION PLC

DIRECTORS AND ADVISERS

The Board of Directors	Mr D.L. Massie – Chairman	
	Mr J.E.R. Bridges	
	Mr J.F. Molyneux	
	Dame E. Pienaar	*(Appointed 23 February 2015)*
	Mr T.A. Scott	*(Appointed 23 February 2015)*

Company Secretary Mr D.L. Massie

Registered Office
Third Floor
43 - 44 New Bond Street
London
W1S 2SA

Auditor
Shipleys LLP
Chartered Accountants & Statutory Auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

Solicitors
Sherrards Solicitors LLP
7 Swallow Place
London
W1B 2AG

ISDX Corporate Advisor
W H Ireland Limited
4 Colston Avenue
Bristol
BS1 4ST

WEY EDUCATION PLC

CHAIRMAN'S STATEMENT

Dear Shareholder

It is with pleasure that I report to you on your Company's results for the year ended 31 December 2014 and the important developments that have occurred since that date.

Introduction

The financial statements for the year to 31 December 2014 are largely of historical interest only, because post year end the Company has been transformed by:

- the acquisition of the InterHigh Education ("InterHigh") business announced on 3 February 2015 which completed on 1 April 2015; and

- the placing completed today of 17,500,000 new ordinary shares of £0.01 each in the capital of the Company ("Ordinary Shares") to raise £700,000 before expenses.

I discuss the consequences of these events further below in the section headed "Post Balance Sheet Events".

Financial Results

The detailed financial results are contained within the financial statements, but in brief, for the year ended 31 December 2014, the Group incurred a loss of £313,113 (2013: £168,787) on revenue of £55,260 (2013: £130,082). This represented a loss per share of 2.26p (2013: 1.22p).

In 2014 we made a decision to concentrate on the scope for expansion of the Group into school management at the cost of a short term reduction in turnover. These historical results therefore do not provide a reliable guide to the future prospects of the Company. To give shareholders an illustration, albeit historical, of the effect on the Group if the acquisition had been completed and InterHigh had been part of the Group for the period ended 31 August 2014,I have included below certain proforma figures for the Group and the financial statements on pages 13 and 14 also include some proforma figures.

Post Balance Sheet Events

InterHigh

On 3 February 2015, the Company announced that it had, through a wholly owned subsidiary, Wey InterHigh Limited, exchanged contracts to acquire the assets and goodwill of InterHigh, an online school, for an initial consideration of £776,217 (payable as to £388,108 in cash and £388,108 by the issue of 8,624,634 new Ordinary Shares), 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, again to be satisfied as to 50% in cash and 50% in new Ordinary Shares.

InterHigh's online, fee paying, secondary school education platform will become the foundation of Wey Education's online education offering, accelerating the Group's ambition to become a key player in the online education sector.

CHAIRMAN'S STATEMENT

Established in 2005 and based in Wales, InterHigh was founded by Paul Daniell and Jacqui Daniell. InterHigh spent a number of years from establishment creating, improving and refining the online platform which is key to the delivery of the education product. InterHigh currently employs approximately 42 staff. In the 2013/14 academic year, InterHigh educated 390 students predominantly from the UK and also overseas. For 2014/15, the student roll has increased to 414 students. The GCSE results achieved by InterHigh students in 2014 placed InterHigh in the top 15% of UK schools nationally. Paul and Jacqui have entered into two year service agreements with Wey InterHigh Limited.

The acquisition completed on 1 April 2015 and, as a result, the Company has issued to the vendor 8,624,634 new Ordinary Shares credited as fully paid and these shares will be admitted to ISDX.

Placing and subscription

The Company has today completed a placing from various new and existing institutional and private investors and from David Massie the Chairman of 17,500,000 new Ordinary Shares credited as fully paid at 4.0 pence per Ordinary Share to raise £700,000 before expenses and these shares will be admitted to ISDX.

Loan Conversion

In addition, in order to strengthen the Company's balance sheet, Sandwood Limited, a company controlled by David Massie, has agreed to convert £111,250 of its loan to the Company into 2,781,250 new Ordinary Shares credited as fully paid at 4.0 pence per Ordinary Share and these shares will be admitted to ISDX.

The balance of the Sandwood Limited loan remains outstanding but Sandwood Limited has confirmed that it will not seek repayment until such time as the Company is in a financial position to repay it.

New Directors

On 23 February 2015 the Company announced that it had appointed two additional members to the Board to strengthen the existing Board. Dame Erica Pienaar joins us as a Non-Executive Director and Mr Thomas Scott as an 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.

Tom joined Wey Education in 2012, initially as a consultant and then as a full time employee from October 2012. He has led the Company's move into online education and will continue that role as an Executive Director, with a particular emphasis on expansion and growth.

Change of Accounting Reference Date

The Group has changed its accounting reference date and in the future will report results to 31 August of each year. For this year, the interim accounts will be for the period to 30 June 2015 and then in future years, the interim accounts will be drawn up to 28 February of each year.

WEY EDUCATION PLC

CHAIRMAN'S STATEMENT

Proforma Income and Expenditure Account

The acquisition of the InterHigh business significantly transforms the Company. Set out in the table below is a proforma unaudited income and expenditure account as if the InterHigh business had been part of the Group for the year to 31 August 2014. It is emphasised that this proforma is both unaudited and for illustrative purposes only.

Wey Education Group and InterHigh Education Proforma Unaudited Consolidated Income and Expense Account for the period ended 31 August 2014

	InterHigh(1)	**Wey Education(2)**	**Total**
	£	**£**	**£**
Turnover	776,217	80,201	856,418
Cost of sales	(500,488)	(1,567)	(502,055)
Gross Surplus	**275,729**	**78,634**	**354,363**
Admin Expenses (excluding legal costs)	(137,046)	(229,963)	(367,009)
Operating Surplus/(Deficit)	**138,683**	**(151,329)**	**(12,646)**

Notes:

(1) *The financial information for InterHigh has been extracted from the unaudited results for the year to 31 August 2014.*

(2) *The financial information for Wey Education has been extracted from the audited consolidated results for the year to 31 December 2013 and 31 December 2014 on a pro-rata basis.*

Related Party Transactions

John Bridges and John Molyneux, both Non-Executive Directors, have assisted the Company by never drawing any fees to date. On 26 March 2015 John Bridges was awarded 533,333 Ordinary Shares in lieu of director fees and expenses for the period to 31 December 2014. On 26 March 2015 John Molyneux was awarded 666,667 Ordinary Shares in lieu of director's fees and expenses for the same period. An amount of £54,000 plus associated National Insurance costs has been charged to the profit and loss account in the period to 31 December 2014.

The shares issued to John Bridges and John Molyneux will be admitted to ISDX.

Massie & Co., a partnership where I am a partner, has provided administrative services to the Company since August 2012, including accommodation, IT and secretarial services. The Company has now agreed to pay Massie & Co. £24,000 for such historic services and has agreed a fee of £1,000 per month on an on-going basis for so long as the Company wishes to use such. The Company can terminate the arrangement on 7 days' notice.

In addition, I have served as a director since August 2012 and as Chairman since August 2013 without remuneration and on 26 March 2015 the Board resolved to grant me subject to completion of the placing referred to above:

a) an option to subscribe for 1,000,000 Ordinary Shares at 4.5p per share exercisable at any time until 31 March 2020; and

b) 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 referred to below and the growth in the Company's market capitalisation.

All the above are related party transactions which were discussed and approved by the Company's Board of Directors, with the relevant related party taking no part in the discussion on such, at the relevant Board Meetings.

Directors Interests

The Directors' beneficial shareholdings of the enlarged share capital are as follows:

Director	Shareholding	% of enlarged share capital
David Massie	13,031,250	29.6
John Bridges	533,333	1.2
John Molyneux	1,513,334	3.4
Erica Pienaar	-	-
Tom Scott	-	-

Litigation

In my last Chairman's Statement, I reported that the Company had issued proceedings against Ms Atkins, the Company's former CEO, in the High Court seeking damages for breach of fiduciary duty and breach of her obligations under the Companies Act 2006. That action is due to be heard in April 2015 but may be postponed. The Company has expensed all legal costs incurred in relation to the litigation to the accounting reference date notwithstanding that the Company has been advised by its solicitors that it will prevail at trial.

Wey Education Schools Trust ("WEST")

The Group created a "not for profit" charitable company in 2012 to act as a delivery vehicle to state schools.

To meet compliance requirements of the DfE, the Group relinquished its membership of WEST and Tom Scott and myself (both directors of the Company) and Gary Pinkerton (a corporate finance director of IAF Capital Limited, a company owned by myself) are now the three members.

ecademy

I have previously informed shareholders of the Company's wish, acting through WEST, to establish an online state secondary school. To date discussions with the Department for Education ("DfE") have not been successful regarding their approval for the project to become an Academy. The Company remains committed to the development of the ecademy in conjunction with WEST but in the meanwhile has decided to demonstrate the potential for online education through further expansion of the InterHigh private sector school.

The Future

Shareholders are encouraged to look at the website of InterHigh to be found at www.interhigh.co.uk for further details. The website also contains details of the full GCSE, IGCSE and 'A' level courses run by InterHigh and any shareholder whose child or grandchild attends InterHigh will upon request be given details of the discount available on current fee rates.

Your Board has faced a number of challenges over the last few years but with the acquisition of InterHigh, the appointment of new directors and a very interesting pipeline of new projects, we look forward to the future with confidence.

As previously announced, the Company intends to seek a move to AIM over the coming months.

Annual General Meeting

The Annual General Meeting of the Company will be held on Wednesday 13 May 2015 at 10.30 a.m. at 43 - 44 New Bond Street, Mayfair, London W1S 2SA. A formal notice will be dispatched to shareholders in due course.

Yours faithfully

D. L. Massie

David L. Massie
Chairman

2 **April 2015**

WEY EDUCATION PLC

THE DIRECTORS' REPORT

The directors present their report and the financial statements of the Company for the year ended 31 December 2014.

RESULTS AND DIVIDENDS
The loss for the year amounted to £313,113 (2013: loss £168,787). The directors have not recommended a dividend.

FINANCIAL INSTRUMENTS
Details of the Company's financial risk management objectives and policies are included in note 12 to the accounts.

STRATEGIC REPORT
In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, various matters previously dealt with in the Directors' Report are now included in the Strategic Report.

DIRECTORS' INTERESTS
The interests of the directors who served the Company during the year in the shares of the Company at the year end were as follows:

	2014	**2013**
D.L. Massie	6,500,000	6,500,000
J.F. Molyneux	846,667	846,667
J.E.R. Bridges	-	-

Registered office:
43-44 New Bond Street
London
W1S 2SA

Signed on behalf of the directors:

David L. Massie
Director

Approved by the directors on 2 April 2015.

STRATEGIC REPORT

The directors of the company present their Strategic Report for the year ended 31 December 2014. The purpose of the Strategic Report is to enable shareholders to assess how the directors have performed their duty to promote the success of the Company.

PRINCIPAL ACTIVITIES, STRATEGIC PRIORITIES AND FUTURE DEVELOPMENTS

Wey Education aims to create a better path for schools, children and parents. The Company seeks to raise the standards of education both in terms of achieving academic results and improving life chances of pupils.

The Group's overall goal is to create value for shareholders through delivering education and services to customers in a profitable business model.

To achieve this the Group is pursuing the following strategic objectives:

- To increase the Group's revenues by increasing the number of students who use the Groups services; and
- To expand the Group's operations into new geographical areas.

BUSINESS REVIEW

A review of the business of the Group and an indication of likely future developments can be found in the Chairman's Statement on pages 2 to 6.

The directors consider that the future financial key performance indicators are turnover, operating profit before amortisation of acquired intangible assets, earnings per share and the Group's net debt/net cash. For the year ended 31 December 2014 non-financial key performance indicators are not considered material to managing the financial performance of the Group.

KEY PERFORMANCE INDICATORS

The Board monitors the activities and performance of the Group on a regular basis. The primary performance indicators for the Group are:

Financial performance

- The operating loss of the Group for the year was £297,346 (2013: £161,840); and
- At 31 December 2014 the Group deficit of shareholders' funds was £544,718 (2013: £231,605 deficit).

WEY EDUCATION PLC

STRATEGIC REPORT

PRINCIPAL RISKS AND UNCERTAINTIES
The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are set out below.

Risks are reviewed by the Board and the appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group.

Dependence on key personnel
The Company is dependent upon its directors both at the parent company level and at the subsidiary level. The development and success of the Company depends on the Company's ability to a) adequately fund its activities and b) recruit and retain high quality and experienced staff. The inability to attract additional qualified personnel as the Company grows could have an adverse effect on the future business and financial conditions.

Funding risk
The Group may not be able to raise, either by debt or equity, sufficient funds to enable it to finance its future strategy or any identified acquisition.

Internal Controls
The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

This Strategic Report was approved by the Board of Directors on 2 April 2015.

Registered office:
43 - 44 New Bond Street
London
W1S 2SA

Signed on behalf of the directors

D. L. Massie

David L. Massie
Chairman and Company Secretary

WEY EDUCATION PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements ("the financial statements") in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Parent Company financial statements for each financial year. Under that law the directors have elected to prepare the Group and Parent Company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements comply with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Parent Company or the Group as applicable will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company, and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Parent Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the directors are aware:

- there is no relevant audit information of which the Group and Parent Company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed on behalf of the directors:

D. L. Massie

David L. Massie

Approved by the directors on 2 April 2015.

WEY EDUCATION PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WEY EDUCATION PLC

We have audited the financial statements of Wey Education plc for the year ended 31 December 2014 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Statements of Financial Position, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Statement of Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 December 2014 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

WEY EDUCATION PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WEY EDUCATION PLC

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

JOSEPH KINTON (Senior Statutory Auditor)
For and on behalf of
SHIPLEYS LLP
Chartered Accountants
& Statutory Auditor

2 April 2015

10 Orange Street
Haymarket
London
WC2H 7DQ

WEY EDUCATION PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2014

AUDITED INFORMATION				*Unaudited Proforma for Enlarged Group* [1]
	Note	**2014**	2013	
		£	£	*£*
REVENUE		**55,260**	130,082	*856,418*
Cost of sales		**(2,350)**	-	*(502,055)*
GROSS PROFIT		**52,910**	130,082	*354,363*
Administrative expenses		**(350,256)**	(291,922)	*(367,009)*
OPERATING LOSS	3	**(297,346)**	(161,840)	*(12,646)*
Finance income		**-**	10	*-*
Finance costs	13	**(15,562)**	(6,957)	*(15,573)*
LOSS BEFORE TAXATION AND EXCEPITONAL ITEMS		**(312,908)**	(168,787)	*(28,219)*
Exceptional item – Legal costs		**-**	-	*(100,849)*
LOSS BEFORE TAXATION		**(312,908)**	(168,787)	*(129,068)*
Taxation	5	**(205)**	-	*-*
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(313,113)**	(168,787)	*(129,068)*

Basic loss per share	6	**(2.26p)**	(1.22p)
Diluted loss per share	6	**(2.26p)**	(1.22p)

All of the activities of the Group are classed as continuing.

The Group has no recognised gains or losses other than the results for the year as set out above.

Notes:

(1) *The purpose of the Unaudited Proforma for the Enlarged Group is to provide an indication of the Income Statement as adjusted for the acquisition of InterHigh Education in February 2015, the share placing and the change of year end to 31 August.*

(2) *The information for the Wey Education Group has been extracted on a pro-rata basis from the consolidated results for the year to 31 December 2013 and 31 December 2014.*

(3) *The information for InterHigh Education has been extracted without adjustment from the unaudited accounts for the year ended 31 August 2014.*

The notes on pages 20 to 33 form part of these financial statements.

WEY EDUCATION PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
YEAR ENDED 31 DECEMBER 2014

AUDITED INFORMATION						*Unaudited Proforma for Enlarged Group* [(1)]
		At 31 December 2014		At 31 December 2013		
	Note	**£**	**£**	£	£	£
ASSETS						
Non current assets						
Intangible assets		-		-		*701,000*
Property, plant & equipment	8	-		1,519		*10,937*
			-		1,519	*711,937*
Current assets						
Trade & other receivables	9	**47,096**		39,251		*78,416*
Cash & cash equivalents	10	**5,785**		84,287		*477,784*
			52,881		123,538	*556,200*
TOTAL ASSETS			**52,881**		125,057	*1,268,137*
EQUITY AND LIABILITIES						
Equity and reserves						
Share Capital	14		**138,652**		138,652	*427,711*
Share premium	15		**559,538**		559,538	*1,469,729*
Option reserve	15		**33,408**		33,408	*33,408*
Retained earnings	15		**(1,276,316)**		(963,203)	*(1,278,723)*
TOTAL EQUITY AND RESERVES			**(544,718)**		(231,605)	*652,125*
Current liabilities						
Trade and other payables	11		**597,599**		356,662	*616,012*
TOTAL EQUITY AND LIABILITIES			**52,881**		125,057	*1,268,137*

These financial statements were approved by the directors and authorised for issue on 2 April 2015 and are signed on their behalf by:

J. L. Massie

David L. Massie
Director

Company registration number – 06342555

Notes:

(1) *The purpose of the Unaudited Proforma for the Enlarged Group is to provide an indication of the Consolidated Balance Sheet as adjusted for the acquisition of InterHigh Education in February 2015, the share placing and the loan conversion.*

(2) *The information for the Wey Education Group has been extracted from the audited consolidated Balance Sheet as at 31 December 2014 adjusted for:*

The notes on pages 20 to 33 form part of these financial statements.

a. *the gross proceeds of the share placing calculated on the basis issue of 17,500,000 ordinary shares of 1p each at 4.0p per share;*

b. *the conversion of £111,250 of outstanding loan into 2,781,250 ordinary shares of 1p each issued at 4.0p per share; and*

c. *the acquisition of InterHigh Education for £776,217 satisfied by the payment of £388,108 in cash and the issue of 8,624,634 ordinary shares of 1p each issued at 4.5p per share.*

(3) *The information for InterHigh Education has been extracted from the unaudited completion balance sheet as at 13 February 2015.*

WEY EDUCATION PLC

COMPANY STATEMENT OF FINANCIAL POSITION
YEAR ENDED 31 DECEMBER 2014

	Note	At 31 December 2014 £	At 31 December 2014 £	At 31 December 2013 £	At 31 December 2013 £
ASSETS					
Non current assets					
Investment in subsidiaries	7	101		101	
Property, plant & equipment	8	-		1,519	
			101		1,620
Current assets					
Trade & other receivables	9	39,132		12,985	
Cash & cash equivalents	10	1,455		82,046	
			40,587		95,031
TOTAL ASSETS			40,688		96,651
EQUITY AND LIABILITIES					
Equity and reserves					
Share capital	14		138,652		138,652
Share premium	15		559,538		559,538
Option reserve	15		33,408		33,408
Retained earnings	15		(1,345,565)		(1,030,237)
TOTAL EQUITY AND RESERVES			(613,967)		(298,639)
Current liabilities					
Trade and other payables	11		654,655		395,290
TOTAL EQUITY AND LIABILITIES			40,688		96,651

These financial statements were approved by the directors and authorised for issue on 2 April 2015 and are signed on their behalf by:

D. L. Massie

David L. Massie
Director

Company registration number – 06342555

The notes on pages 20 to 33 form part of these financial statements.

WEY EDUCATION PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2014

	Share capital £	Share premium £	Option reserve £	Retained earnings £	Total £
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					
Transfers 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 31 December 2014	138,652	559,538	33,408	(1,276,316)	(544,718)

The notes on pages 20 to 33 form part of these financial statements.

WEY EDUCATION PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2014

	Share capital £	Share premium £	Option reserve £	Retained earnings £	Total £
At 1 January 2013	138,652	559,538	38,205	(797,321)	(60,926)
Comprehensive income					
Loss for the year	-	-	-	(237,713)	(237,713)
Total comprehensive income	-	-	-	(237,713)	(237,713)
Transactions with owners					
Transfers on lapsing of share options	-	-	(4,797)	4,797	-
At 1 January 2014	138,652	559,538	33,408	(1,030,237)	(298,639)
Comprehensive income					
Loss for the year	-	-	-	(315,328)	(315,328)
Total comprehensive income	-	-	-	(315,328)	(315,328)
At 31 December 2014	138,652	559,538	33,408	(1,345,565)	(613,967)

The notes on pages 20 to 33 form part of these financial statements.

WEY EDUCATION PLC

STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2014

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Cash flows from operating activities				
Loss from operating activities	**(297,346)**	(161,840)	**(299,561)**	(230,766)
Adjustments for:				
Depreciation	**1,519**	3,624	**1,519**	3,624
Changes in working capital:				
Trade & other receivables	**(8,050)**	45,864	**(26,352)**	8,945
Trade & other payables	**52,515**	40,340	**70,618**	123,117
Funding provided by related parties	**172,860**	113,345	**173,185**	153,766
Net cash generated from / (used in) operating activities	**(78,502)**	41,333	**(80,591)**	58,686
Cash flow from investing activities				
Interest paid	**-**	-	**-**	-
Interest received	**-**	10	**-**	10
Net cash (used in) / generated from investing activities	**-**	10	**-**	10
Net increase / (decrease) in cash and cash equivalents	**(78,502)**	41,343	**(80,591)**	58,696
Cash and cash equivalents brought forward	**84,287**	42,944	**82,046**	23,350
Cash and cash equivalents carried forward	**5,785**	84,287	**1,455**	82,046

The notes on pages 20 to 33 form part of these financial statements.

1. GENERAL INFORMATION

Wey Education plc is a public limited company, registered number 06342555, quoted on the ISDX market, incorporated and domiciled in England and Wales. Its registered office and business address is Third Floor, 43 - 44 New Bond Street, London W1S 2SA. The nature of the Group's operations and principal activities are set out on page 8.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

These financial statements have 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 statements have 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 statements 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.

2.2 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.

2.3 New and amended standards and interpretations adopted by the Group

A number of new standards, interpretations and amendments effective for the first time for periods beginning on 1 January 2014, have been adopted in these financial statements.

The nature and the impact of each new standard and amendment is described below:

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group, since none of the entities in the Group qualifies to be an investment entity under IFRS 10.

Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. These amendments have no impact on the Group, since none of the entities in the Group has any offsetting arrangements.

2.4 New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2014 and not early adopted

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.

IFRS 9 Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

IFRS 2 Share-based Payment
This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition;
- A performance target must be met while the counterparty is rendering service;
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group;
- A performance condition may be a market or non-market condition; and
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

IAS 24 Related Party Disclosures
The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not

expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

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.

2.5 Basis of consolidation

The Group financial statements consolidate the financial statements of Wey Education plc (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2014.

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 statements 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 these financial statements are as follows:

The Company	Wey Education plc
The Group	Wey Education plc, Wey Consultancy Limited (formerly Zail Enterprises 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 £315,328 (2013: £237,713).

2.6 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenues from sale of goods are recognised once all the significant risks and rewards arising from the ownership over the goods have been assigned to the buyer, the seller no longer maintains continuing decision-making involvement that characterises ownership and no longer maintains effective control over the sold goods, the amount of revenues can be measured reliably, the economic benefits relating to the transaction are expected to flow to the Group and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales are recognised net of sales tax and discounts.

Interest income is recognised on a time-proportion basis using the effective interest method.

Commission or royalty income is recognised when the goods on which the commission or royalty is calculated are delivered.

2.7 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. All of the Company's activities occur in the UK and relate to consultancy services, so segmental reporting is not required.

2.8 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.

2.9 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. An Option Reserve has been established and contains the share options which are outstanding at the balance sheet date.

2.10 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

(i) Fair value of equity-settled share-based payments – see note 2.9.

2.11 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 in note 2.9 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 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.

2.17 Cash and cash equivalents

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

2.18 Financial liabilities

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

2.19 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.

2.20 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	3 years

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.

2.21 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.

2.22 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.

2.23 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.

3. OPERATING LOSS

Operating loss is stated after charging:

	2014	2013
	£	£
Depreciation	1,519	3,624
Operating lease costs	-	3,509
Directors' remuneration	54,000	5,769
Auditor's remuneration: audit of the financial statements	6,500	7,500
Auditor's remuneration: other fees	-	-

4. PARTICULARS OF EMPLOYEES

Wages and salaries

	2014	2013
	£	£
Directors' remuneration	54,000	5,769
Salaries	90,000	94,628
Social security costs	16,473	12,628
Total	160,473	113,025

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

	2014	2013
	Number	Number
Sales and administration	4	4

5. TAXATION

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

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets of £228,849 (2013: £166,683) in respect of losses carried forward amounting to £1,144,244 (2013: £833,415) 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.

6. 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 year ended 31 December 2014 or the previous year as the effect on the exercise of share options would be to decrease the loss per share.

	2014 Number	2013 Number
Weighted average number of shares	**13,865,198**	13,865,198
	£	£
Loss from continuing activities	**313,113**	168,787
Basic and diluted loss per share	**2.26p**	1.22p

7. INVESTMENT IN SUBSIDIARIES

Company

	£
Cost	
At 31 December 2014 and 31 December 2013	101

Wey Education plc holds 100% of the share capital of the following companies, all of which are held directly:

Subsidiary undertaking	Country of Incorporation	Class	Activity
Wey Consultancy Limited	England and Wales	Ordinary	Consultancy
Wey ecademy Limited	England and Wales	Ordinary	Dormant

8. PROPERTY, PLANT AND EQUIPMENT

Group and Company	Office Equipment £
Cost	
At 31 December 2013	11,055
Additions	-
Disposals	(60)
At 31 December 2014	10,995
Depreciation	
At 31 December 2013	9,536
Charge for the year	1,519
Eliminated on disposal	(60)
At 31 December 2014	10,995
Net book value	
At 31 December 2014	-
At 31 December 2013	1,519

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Trade receivables	**8,494**	26,066	**-**	-
Corporation tax repayable	**-**	205	**-**	205
Other debtors	**38,602**	-	**38,402**	-
VAT recoverable	**-**	7,819	**730**	7,819
Prepayments and accrued income	**-**	5,161	**-**	4,961
	47,096	39,251	**39,132**	12,985

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

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Cash at bank	**5,785**	84,287	**1,455**	**82,046**

11. TRADE AND OTHER PAYABLES

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Trade payables	**32,152**	83,159	**31,329**	65,430
Social security and other taxes	**10,950**	7,357	**10,950**	3,826
Accruals and deferred income	**58,590**	19,189	**58,590**	19,189
Other creditors	**493,573**	246,957	**493,573**	246,957
VAT	**2,334**	-	**-**	-
Payables to Group undertakings	**-**	-	**60,213**	59,888
	597,599	356,662	**654,655**	395,290

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

Included in other creditors is an amount of £400,519 (2013: £246,957) 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 and Wey ecademy Limited.

12. 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.

13. RELATED PARTY TRANSACTIONS

At 31 December 2014 the outstanding debt owed to Wey Consultancy Limited (formerly Zail Enterprises Limited) by the Company was £60,213 (2013: £59,888 due to the Company).

At 31 December 2014 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 £378,000 (2013: £240,000). Interest was charged in the period of £15,562 (2013: £6,957). Total loan interest accrued to 31 December 2014 was £22,519 (2013: £6,957) to give a total loan balance of £400,519 (2013: £246,957)

At 31 December 2014 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 £34,860 (2013: £Nil).

During the period under review Mr D.L. Massie paid a deposit of £69,600 on behalf of Wey Education plc as security for costs that may arise in the High Court action against Ms Atkins (see Note 17). 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 (formerly Zail Enterprises 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.

In the opinion of the directors there is no one controlling party. As at 31 December 2014 Mr D.L. Massie owned 46.88% of the issued share capital and as he controls Sandwood Limited the major lender to the Group he has significant influence.

14. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	Number	**£**	Number	£
Ordinary shares of £0.01 each	**13,865,198**	**138,652**	13,865,198	138,652

15. OTHER RESERVES

GROUP	**Share Premium**	**Option Reserve**	**Retained Earnings**
	£	£	£
At 1 January 2013	559,538	38,205	(799,213)
Loss for the year	-	-	(168,787)
Transfers on lapsing of share options	-	(4,797)	4,797
At 1 January 2014	559,538	33,408	(963,203)
Loss for the year	-	-	(313,113)
At 31 December 2014	559,538	33,408	(1,276,316)

COMPANY	**Share Premium**	**Option Reserve**	**Retained Earnings**
	£	£	£
At 1 January 2013	559,538	38,205	(797,321)
Loss for the year	-	-	(237,713)
Transfers on lapsing of share options	-	(4,797)	4,797
At 1 January 2014	559,538	33,408	(1,030,237)
Loss for the year	-	-	(315,328)
At 31 December 2014	559,538	33,408	(1,345,565)

16. SHARE OPTIONS AND WARRANTS

The Group has a share option scheme 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. The options are settled in equity once exercised.

The reconciliation of options and warrants during the year ended 31 December 2014 is shown below:

	2014 Number	**2014 Weighted average exercise price (p)**	2013 Number	2013 Weighted average exercise price (p)
Outstanding at 1 January	**943,260**	**5.00**	993,260	5.50
Lapsed in the year	**-**	**-**	50,000	-
Outstanding at 31 December	**943,260**	**5.00**	943,260	5.00
Exercisable at 31 December	**943,260**	**5.00**	943,260	5.00

The following options and warrants were in existence at 31 December 2014:

	2014 Number	**2014 Weighted average exercise price (pence)**	**2014 Weighted average remaining life (years)**
Warrants	693,260	5.00	1.21
Options	250,000	5.00	1.21
	943,260	5.00	1.21

The fair value of options granted is calculated at the date of grant using a Black-Scholes option pricing model. The weighted average fair value of options granted during the year ended 31 December 2011 determined using the Black-Scholes valuation model was 10.56p per option. The significant inputs into the model were:

- Share price at the date of grant of 16p or 16.5p
- Exercise price of 5p
- Volatility of 40%
- Dividend yield of 0%
- Risk free interest rate of 2.4%
- Expected option life of 10 years

17. CONTINGENT LIABILITIES

The Group has a contingent liability relating to an unresolved action brought by Ms Atkins to the Employment Tribunal. The case is currently stayed pending resolution of the Company's High Court action against Ms Atkins (see Chairman's Statement) which is due to be heard in April 2015. 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.

18. POST BALANCE SHEET EVENTS

On 3 February 2015, the Company announced that it had, through a wholly owned subsidiary, Wey InterHigh Limited, exchanged contracts to acquire the assets and goodwill of InterHigh Education, an online school, for an initial consideration of £776,217 (payable as to £388,108 in cash and £388,108 by the issue of 8,624,634 new Ordinary Shares), plus deferred consideration over the next 2 years equal to 50% of the incremental growth in turnover of the InterHigh Education business for each of the years to 31 August 2015 and 31 August 2016, again to be satisfied as to 50% in cash and 50% in new Ordinary Shares.

On 3 February 2015 the Company agreed to grant an option to WH Ireland Limited, the Company's Corporate Adviser, to subscribe for 389,706 Ordinary Shares in the Company. The option 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.

On 2 April 2015, the Company issued 17,500,000 new Ordinary Shares of £0.01 each at 4.0 pence per Ordinary share for a gross consideration of £700,000.

On 2 April 2015 Sandwood Limited agreed to convert £111,250 of outstanding loan into 2,781,250 ordinary shares of 1p each issued at 4.0p per share.