

Company Registration No 5749390

ENGLISHTOWN UK LIMITED

Report and Financial Statements

30 September 2009



ENGLISHTOWN UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

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ENGLISHTOWN UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr Mattias Ardfelt
Mr Jan Fredrik Henriksson

REGISTERED OFFICE

Global House, High Street
Crawley
West Sussex
RH10 1 DL

SOLICITORS

Speechly Bircham
Bouverie House
154 Fleet Street
London EC4A 2HX

AUDITORS

Deloitte LLP
Chartered Accountants and Registered Auditors
Cambridge, United Kingdom

ENGLISHTOWN UK LIMITED

DIRECTORS' REPORT

The directors submit their report and the audited financial statements of Englishtown UK Limited for the year ended 30 September 2008

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

PRINCIPAL ACTIVITIES

The principal activity of the company is to provide management services in the form of marketing and general business consultancy advice, information technology services and legal services to other member companies in connection with teaching services for adults

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The directors consider the result for the year to be satisfactory and anticipate that results will be similar for the coming year

RESULTS AND DIVIDENDS

The profit for the year after taxation was £156,056 (2008 - £81,891) The directors do not recommend the payment of a dividend and the profit for the year has been transferred to reserves

DIRECTORS

The directors of the company throughout the financial year were

Mr Mattias Ardfelt

Mr Jan Fredrik Henriksson

AUDITORS

Each of the persons who is a director at the date of approval of this annual report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them as auditors will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board


Director

10.3.10

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENGLISHTOWN UK LIMITED

We have audited the financial statements of Englishtown UK Limited for the year ended 30 September 2009 which comprise the profit and loss account, the balance sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, 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 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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. These conditions indicate a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENGLISHTOWN UK LIMITED (continued)

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



Andrew Swarbrick BA FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Cambridge, United Kingdom

20 March 2020

ENGLISHTOWN UK LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 30 September 2009**

	Note	2009 £	2008 £
TURNOVER	2	2,392,391	1,361,070
Cost of sales		<u>(1,590,528)</u>	<u>(989,667)</u>
GROSS PROFIT		801,863	371,403
Administrative expenses		<u>(583,397)</u>	<u>(253,225)</u>
OPERATING PROFIT	3	218,466	118,178
Interest payable and similar charges	5	(1,714)	(7,413)
Interest receivable and similar income	6	<u>422</u>	<u>6,063</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		217,174	116,828
Tax on profit on ordinary activities	7	<u>(61,118)</u>	<u>(34,937)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	13	<u>156,056</u>	<u>81,891</u>

All activities derive from continuing operations

There are no recognised gains or losses other than as stated in the profit and loss account above. Accordingly, no separate statement of total recognised gains and losses is presented.

ENGLISHTOWN UK LIMITED

BALANCE SHEET **30 September 2009**

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	8	<u>60,832</u>	<u>52,678</u>
CURRENT ASSETS			
Debtors	9	512,848	153,788
Cash at bank and in hand		<u>270,494</u>	<u>80,690</u>
		783,342	234,478
CREDITORS: amounts falling due within one year	10	<u>(555,817)</u>	<u>(154,855)</u>
NET CURRENT ASSETS		<u>227,525</u>	<u>79,623</u>
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS		<u>288,357</u>	<u>132,301</u>
CAPITAL AND RESERVES			
Called up share capital	12	500	500
Profit and loss account	13	<u>287,857</u>	<u>131,801</u>
SHAREHOLDERS' FUNDS	14	<u>288,357</u>	<u>132,301</u>

The financial statements of Englishtown UK Limited, registered number 5749390, were approved by the Board of Directors and authorised for issue on 10.3.10

Signed on behalf of the Board of Directors


 Director

ENGLISHTOWN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2009

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

All accounting policies have been applied consistently during the year and preceding year.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

The company's business activities are explained in the Directors' Report. The company provides these services to its parent company and to fellow group entities. The business model operates on a cost plus basis and while there are price contracts in place, there is no certainty that the company's services will be required especially given the current economic climate. The directors have obtained a letter of intention to support from the company's parent company. However the directors cannot guarantee that the support will be forthcoming should the need arise. There exists material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not describe the adjustments that would result if the company were unable to continue as a going concern.

Nevertheless after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Cash flow statement

The company has taken advantage of the exemption granted by paragraph 5(f) of Financial Reporting Standard No. 1 (Revised), "Cash Flow Statements", not to prepare a cash flow statement.

Tangible fixed assets

Fixed assets are stated at historical cost, less depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Equipment and furniture	1-3 years	straight line
Computer equipment	33 3%	straight line
Motor vehicles	20%	straight line

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 substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

2. TURNOVER

The company's turnover was all derived from its principal activity and arose within the United Kingdom.

ENGLISHTOWN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 30 September 2009**

3 OPERATING PROFIT

	2009 £	2008 £
Operating profit is stated after charging:		
Depreciation	18,325	15,821
Auditors' remuneration		
Audit fees	7,480	6,750
Operating lease payments	<u>1,602</u>	<u>-</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors received no remuneration during the year or preceding year for services to the company

	2009 No	2008 No
The average monthly number of persons (excluding directors) employed by the company during the year was:		
Administrative	<u>17</u>	<u>14</u>
	£	£
Staff costs for the above persons:		
Wages and salaries	1,413,534	876,787
Social security costs	<u>176,994</u>	<u>112,880</u>
	<u>1,590,528</u>	<u>989,667</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
Interest payable on amounts due to group undertakings	<u>1,714</u>	<u>7,413</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £	2008 £
Bank interest receivable	<u>422</u>	<u>6,063</u>

ENGLISHTOWN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2009

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is made up as follows

	2009 £	2008 £
Current tax:		
UK corporation tax at 28% (2008 - 29%)	64,023	37,913
Deferred tax		
Timing differences, origination and reversal	(2,905)	(2,976)
Tax on profit on ordinary activities	<u>61,118</u>	<u>34,937</u>
The tax charge differs from the standard rate of corporation tax in the UK of 28% (2008 - 29%) The differences are explained below		
	2009 £	2008 £
<i>Profit on ordinary activities before tax</i>	<u>217,175</u>	<u>116,828</u>
Tax on profit on ordinary activities at standard rate of corporation tax at 28% (2008 - 29%)	60,809	33,880
Expenses not deductible for tax purposes	309	1,143
Depreciation in excess of capital allowances	<u>2,905</u>	<u>2,890</u>
Current tax charge for year	<u>64,023</u>	<u>37,913</u>

ENGLISHTOWN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2009

8 TANGIBLE FIXED ASSETS

	Equipment and furniture £	Motor vehicles £	Computer equipment £	Total £
Cost				
At 1 October 2008	-	58,625	14,510	73,135
Additions	471	-	26,008	26,479
At 30 September 2009	471	58,625	40,518	99,614
Depreciation				
At 1 October 2008	-	14,656	5,801	20,457
Charge for the year	8	11,725	6,592	18,325
At 30 September 2009	8	26,381	12,393	38,782
Net book value				
At 30 September 2009	463	32,244	28,125	60,832
At 30 September 2008	-	43,969	8,709	52,678

9 DEBTORS

	2009 £	2008 £
Amounts owed by group undertakings	419,455	144,610
Deferred tax (note 11)	5,652	2,747
Other debtors	71,935	4,077
Prepayments and accrued income	15,806	2,354
	<u>512,848</u>	<u>153,788</u>

All debtors are due within one year

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade creditors	41,811	433
Corporation tax	44,934	28,411
Other taxation and social security	278,726	61,230
Accruals and deferred income	190,346	64,781
	<u>555,817</u>	<u>154,855</u>

ENGLISHTOWN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 30 September 2009**

11 DEFERRED TAXATION

Movement on deferred tax balance in the year.

	2009 £	2008 £
Asset (liability) at 1 October 2008	2,747	(229)
Profit and loss account credit	2,905	2,976
Asset at 30 September 2009	<u>5,652</u>	<u>2,747</u>
Deferred tax recognised at the year end comprised		
Depreciation in excess of capital allowances	<u>5,652</u>	<u>2,747</u>

12. CALLED UP SHARE CAPITAL

	2008 £	2008 £
Called up, allotted and fully paid 500 ordinary shares of £1 each	<u>500</u>	<u>500</u>

13. STATEMENT OF MOVEMENT IN RESERVES

	£
At 1 October 2008	131,801
Profit for the year	<u>156,056</u>
At 30 September 2009	<u>287,857</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit for the year	<u>156,056</u>	<u>81,891</u>
Net increase in shareholders' funds	156,056	81,891
Opening shareholders' funds	<u>132,301</u>	<u>50,410</u>
Closing shareholders' funds	<u>288,357</u>	<u>132,301</u>

ENGLISHTOWN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 September 2009

15. OPERATING LEASE COMMITMENTS

	2009 £	2008 £
Leases which expire		
Between two and five years	12,019	-

At 30 September 2009, the company had non-cancellable operating lease commitments in respect of motor vehicles

16. RELATED PARTY TRANSACTIONS

During the year the company entered into transactions with its parent company Englishtown Limited (HK) and EF Student Services Limited, a related company. Sales were £1,240,826 (2008 - £904,301) and £1,151,565 (2008 - £456,769) respectively.

The company also entered into transactions with EF Education First Limited and EF International Language School Limited, who are other group companies. Purchases were £11,156 (2008 - £5,613) and £760 (2008 - £92) respectively.

At the year end a debtor balance of £419,455 (2008 - debtor balance of £144,610) was outstanding with Englishtown Limited (HK) and is shown in note 9.

17. ULTIMATE PARENT COMPANY

In the opinion of the directors the ultimate parent and controlling entity is Englishtown Limited, a company incorporated in Hong Kong.