

Company Registration No. 5749390

**ENGLISHTOWN UK LIMITED**

**Report and Financial Statements**

**30 September 2006**

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REPORT AND FINANCIAL STATEMENTS 2006

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**REPORT AND FINANCIAL STATEMENTS 2006**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Mr Erik Forsberg  
Mr Carl Elis Rogberg

**SECRETARY**

Mr Erik Forsberg

**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 & Touche LLP  
Chartered Accountants and Registered Auditors  
Southampton, United Kingdom

## DIRECTORS' REPORT

The directors submit their report and the financial statements of Englishtown UK Ltd for the period ended 30 September 2006.

The Directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

## INCORPORATION

The Company was incorporated on 20 March 2006. Trading commenced on 2 May 2006.

## 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 results for the period to be satisfactory and anticipate that results will be similar for the coming year.

## RESULTS AND DIVIDENDS

The profit for the period after taxation was £5,525. The directors do not recommend the payment of a dividend and the profit for the period has been transferred to reserves.

## DIRECTORS

The directors of the company throughout the financial period were:

Mr Erik Forsberg (appointed 20 March 2006) (Swedish)

Mr Carl Elis Rogberg (appointed 2 May 2006) (Swedish)

Neither director had any beneficial interests in the shares of the company or any other United Kingdom incorporated Group Company at the beginning or the end of the financial period.

## PROVISION OF INFORMATION TO AUDITORS

The directors at the date of approval of this report confirm that:

- So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- The directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## AUDITORS

Deloitte & Touche LLP, who were appointed as the Company's auditors, have expressed their willingness to continue as auditors of the Company and a resolution to confirm their re-appointment will be proposed at the forthcoming Annual General Meeting.

By order of the board

E Forsberg

Director

7 + Decem' er 2006

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 Ltd for the period from 20 March 2006 to 30 September 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2006 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*Deloitte & Touche LLP*  
**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
Southampton, United Kingdom

*22 January 2007*

**PROFIT AND LOSS ACCOUNT**  
**For the period ended 30 September 2006**

	Note	Period 20/03/2006 to 30/09/2006 £
<b>TURNOVER AND GROSS PROFIT</b>	2	151,417
Administrative expenses		(145,065)
<b>OPERATING PROFIT</b>	3	6,352
Interest receivable and other income		673
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		7,025
Taxation on profit on ordinary activities	5	(2,678)
<b>RETAINED PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE PERIOD</b>		4,347
Profit and loss account brought forward		-
Profit and loss account carried forward		4,347

All results in the current period relate to continuing operations.

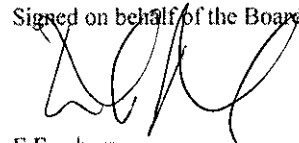
There are no recognised gains or losses or movements in shareholders' funds for the current financial period other than the profit stated in the profit and loss account above. Accordingly, no separate statement of total recognised gains and losses or reconciliation of movement in shareholders' funds is presented.

**BALANCE SHEET**  
**As at 30 September 2006**

	Note	2006 £
<b>FIXED ASSETS</b>		
Tangible assets	6	2,015
<b>CURRENT ASSETS</b>		
Debtors	7	5,608
Cash at bank and in hand		10,072
		15,680
<b>CREDITORS: amounts falling due within one year</b>	8	(12,825)
<b>NET CURRENT ASSETS</b>		2,855
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,870
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	9	(23)
<b>NET ASSETS</b>		4,847
<b>CAPITAL AND RESERVES</b>		
Called up share capital	10	500
Profit and loss account		4,347
<b>EQUITY SHAREHOLDERS' FUNDS</b>		4,847

These financial statements were approved by the Board of Directors on *27 December* 2006

Signed on behalf of the Board of Directors



E Forsberg

Director

*27 December* 2006



**NOTES TO THE ACCOUNTS**  
**Period ended 30 September 2006**

**1. ACCOUNTING POLICIES**

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

All accounting policies have been applied consistently during the period ended 30 September 2006.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**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:

Computer equipment	33.3%	straight line
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**Intercompany balances**

Intercompany balances are of no fixed term.

**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**

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.

**2. TURNOVER**

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

**NOTES TO THE ACCOUNTS**  
**Period ended 30 September 2006**

**3. OPERATING PROFIT**

	2006
	£
Operating profit is stated after charging:	
Depreciation	151
Auditors' remuneration	
Audit fees	5,000
Non audit fees	-
	<u>          </u>

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	2006
	No.
The average monthly number of persons (excluding directors) employed by the company during the year was:	
Administrative	6
	<u>          </u>
Staff costs for the above persons:	£
Wages and salaries	110,890
Social security costs	12,647
	<u>          </u>
	<u>123,537</u>

The directors received no remuneration during the period for services to the company.

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2006
	£
The tax charge is made up as follows:	
Current tax:	
UK corporation tax at 30%	2,655
Total current tax:	2,655
Deferred tax	
Timing differences, origination and reversal	23
	<u>          </u>
Tax on profit on ordinary activities	<u>2,678</u>

**NOTES TO THE ACCOUNTS**  
**Period ended 30 September 2006**

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)**

The tax charge is higher than the standard rate of corporation tax in the UK of 30%. The differences are explained below:

	2006 £
Profit on ordinary activities before tax	7,025
Tax on profit on ordinary activities at standard rate of corporation tax at 30%	(2,108)
Expenses not deductible for tax purposes	(570)
Capital allowances in excess of depreciation	23
Current tax charge for period	<u>(2,655)</u>

**6. TANGIBLE FIXED ASSETS**

	Computer equipment £
Cost:	
Additions	2,166
30 September 2006	<u>2,166</u>
Depreciation:	
Charge for the period	151
30 September 2006	<u>151</u>
Net book value:	
30 September 2006	<u>2,015</u>

**NOTES TO THE ACCOUNTS**  
**Period ended 30 September 2006**

**7. DEBTORS**

	2006 £
Other debtors	265
Prepayments and accrued income	5,343
	<u>5,608</u>

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

	2006 £
Trade creditors	269
Amounts owed by group undertakings	3,314
Corporation tax	2,655
Accruals and deferred income	6,587
	<u>12,825</u>

**9. PROVISIONS FOR LIABILITIES AND CHARGES**

Movement on deferred tax balance in the period:

	2006 £
Capital allowances in excess of depreciation	23
Balance at 30 September	<u>23</u>

**10. CALLED UP SHARE CAPITAL**

	2006 £
Authorised and fully paid: 500 ordinary shares of £1 each	<u>500</u>

**11. CASH FLOW STATEMENT**

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

**12. ULTIMATE PARENT COMPANY**

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

The company is taking advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No. 8, "Related Party Disclosures", not to disclose transactions with group companies.