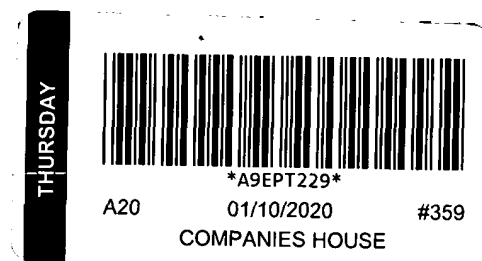


**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019  
FOR  
UNITED LANGUAGE SCHOOLS LIMITED**



**UNITED LANGUAGE SCHOOLS LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2019**

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**UNITED LANGUAGE SCHOOLS LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**DIRECTORS:**

N F Pamplin  
A G Hutchinson

**SECRETARY:**

A W Green

**REGISTERED OFFICE:**

The Old Casino  
28 Fourth Avenue  
Hove  
East Sussex  
BN3 2PJ

**REGISTERED NUMBER:**

00881183 (England and Wales)

**AUDITORS:**

Cardens Accountants LLP  
Statutory Auditors  
The Old Casino  
28 Fourth Avenue  
Hove  
East Sussex  
BN3 2PJ

## **UNITED LANGUAGE SCHOOLS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their strategic report for the year ended 31 December 2019.

#### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

The company continued to operate as an international college offering academic courses (e.g. A Levels and Foundation programmes) as well as a wide range of English language programmes throughout the year.

#### **Business Performance**

	2019	2018
Turnover	5,464	5,399
Gross profit	2,057	1,914
Loss/profit before tax	86	(5)
GP %	38%	35%

Tuition revenue remained flat year on year while the College saw growth in occupancy of its residence, improving gross margin automatically as residence COS is mainly fixed.

Cost of sale and overheads have also been impacted following efficiency reviews and restructuring throughout the College as soon as there were indications of the Academic & EFL market challenges that affected many competitors, and some of the other Colleges in the Group. This has led to improved gross margin and operating profit results on an absolute basis and as a % of turnover.

Strong future bookings and consistent credit control have contributed to healthy year-end cash, trade debtor balances, payments on account, and deferred income balances.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The emergence of COVID-19 as a global pandemic in early 2020 is a principal risk for our business. Government decisions to close schools and colleges, impose travel restrictions, quarantines and lockdown will have an immediate impact on our operations. This will be further discussed in a post balance sheet disclosure in note 15.

The significant impact of Covid-19 to the world economy, the trade war between the USA and China, ongoing uncertainties surrounding Brexit, and conflict in various regions remains a risk to the business as a whole but the company is confident it will be able to successfully emerge from this crisis and build again in the future

These uncertainties, which remain in 2020, will continue to challenge the sector although overall academic student recruitment is often less impacted by such factors. On a more positive note the continued weakness of sterling into 2020 has allowed the UK sector to remain price competitive in a challenging marketplace. The directors are confident that the business has a sufficient mix of revenues streams to offset downturns in any area.

## **UNITED LANGUAGE SCHOOLS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company's principal financial instruments comprise loans to the company, bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

In respect of bank balances the company manages the risk by maintaining the correct balance for fees received for courses and remains within trading terms for supplier payments.

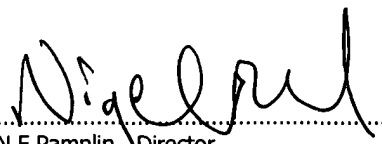
In respect of loans and overall liquidity risk the company ensures there are sufficient funds in place to meet the repayments.

Trade debtors are managed in respect of credit and cash flow risk by monitoring future course bookings and payments made on a regular basis.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The group is exposed to interest rate risk on interest bearing loans and borrowings, due to the variable rate loan agreement in place. However the group regards this risk as low risk in the short term due to the current historic low base rates and the general view that these are unlikely to rise significantly in the foreseeable future.

#### **ON BEHALF OF THE BOARD:**

  
.....  
N F Pamplin, Director

Date: 29/09/20  
.....

## **UNITED LANGUAGE SCHOOLS LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of an international language college

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2019.

#### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

N F Pamplin  
A G Hutchinson

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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;
- 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.

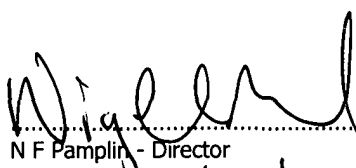
#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **AUDITORS**

The auditors, Cardens Accountants LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

#### **ON BEHALF OF THE BOARD:**

  
.....  
N F Pamplin - Director

Date: ..... 29/09/20 .....

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UNITED LANGUAGE SCHOOLS LIMITED**

### **Opinion**

We have audited the financial statements of United Language Schools Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UNITED LANGUAGE SCHOOLS LIMITED**

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 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 a Report of the Auditors 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.



Hannah Champion FCCA (Senior Statutory Auditor)  
for and on behalf of Cardens Accountants LLP  
Statutory Auditors  
The Old Casino  
28 Fourth Avenue  
Hove  
East Sussex  
BN3 2PJ

Date: .....29/9/20.....

**UNITED LANGUAGE SCHOOLS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>TURNOVER</b>	3	5,463,920	5,398,570
Cost of sales		<u>3,406,663</u>	<u>3,484,833</u>
<b>GROSS PROFIT</b>		2,057,257	1,913,737
Administrative expenses		<u>1,970,946</u>	<u>1,918,967</u>
<b>OPERATING PROFIT/(LOSS) and PROFIT/(LOSS) BEFORE TAXATION</b>		86,311	(5,230)
Tax on profit/(loss)	6	<u>-</u>	<u>633</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		86,311	(5,863)
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>86,311</u></u>	<u><u>(5,863)</u></u>

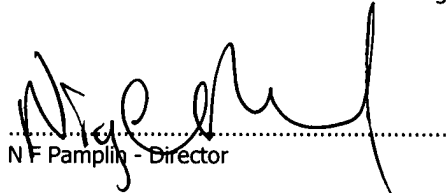
The notes form part of these financial statements

**UNITED LANGUAGE SCHOOLS LIMITED (REGISTERED NUMBER: 00881183)**

**BALANCE SHEET  
31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	7	107,168	120,288
<b>CURRENT ASSETS</b>			
Stocks	8	7,293	7,297
Debtors	9	2,004,669	1,770,419
Cash at bank and in hand		583,997	604,904
		<u>2,595,959</u>	<u>2,382,620</u>
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>2,615,380</u>	<u>2,501,472</u>
<b>NET CURRENT LIABILITIES</b>		<u>(19,421)</u>	<u>(118,852)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>87,747</u>	<u>1,436</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	3,750	3,750
Retained earnings	13	<u>83,997</u>	<u>(2,314)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>87,747</u>	<u>1,436</u>

The financial statements were approved by the Board of Directors and authorised for issue on ..... and were signed on its behalf by:

  
N F Pamplin - Director

**UNITED LANGUAGE SCHOOLS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2018</b>	3,750	3,549	7,299
<b>Changes in equity</b>			
Total comprehensive income	-	(5,863)	(5,863)
<b>Balance at 31 December 2018</b>	<u>3,750</u>	<u>(2,314)</u>	<u>1,436</u>
<b>Changes in equity</b>			
Total comprehensive income	-	86,311	86,311
<b>Balance at 31 December 2019</b>	<u><u>3,750</u></u>	<u><u>83,997</u></u>	<u><u>87,747</u></u>

The notes form part of these financial statements

**UNITED LANGUAGE SCHOOLS LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	9,350	227,557
Tax paid		(633)	(13,092)
Net cash from operating activities		<u>8,717</u>	<u>214,465</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(29,624)</u>	<u>(17,711)</u>
Net cash from investing activities		<u>(29,624)</u>	<u>(17,711)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(20,907)</u>	<u>196,754</u>
<b>Cash and cash equivalents at beginning of year</b>	2	604,904	408,150
<b>Cash and cash equivalents at end of year</b>	2	<u><u>583,997</u></u>	<u><u>604,904</u></u>

The notes form part of these financial statements

**UNITED LANGUAGE SCHOOLS LIMITED**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2019	2018
	£	£
Profit/(loss) before taxation	86,311	(5,230)
Depreciation charges	42,744	58,879
	<u>129,055</u>	<u>53,649</u>
Decrease in stocks	4	496
(Increase)/decrease in trade and other debtors	(172,067)	198,748
Increase/(decrease) in trade and other creditors	<u>52,358</u>	<u>(25,336)</u>
<b>Cash generated from operations</b>	<u><u>9,350</u></u>	<u><u>227,557</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2019**

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u><u>583,997</u></u>	<u><u>604,904</u></u>

**Year ended 31 December 2018**

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	<u><u>604,904</u></u>	<u><u>408,150</u></u>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.19	Cash flow	At 31.12.19
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>604,904</u>	<u>(20,907)</u>	<u>583,997</u>
	<u>604,904</u>	<u>(20,907)</u>	<u>583,997</u>
<b>Total</b>	<u><u>604,904</u></u>	<u><u>(20,907)</u></u>	<u><u>583,997</u></u>

The notes form part of these financial statements

## **UNITED LANGUAGE SCHOOLS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **1. PRESENTATIONAL CURRENCY**

The accounts are presented in the companies functional currency of pound sterling (£).

#### **2. ACCOUNTING POLICIES**

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

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

##### **Turnover**

Turnover represents the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the company's activities.

Previously turnover was presented gross of any discounts offered to agents. In a change to their accounting policy, turnover is now the net of discount offered to agents.

For the rendering of services where a customer receives consideration over a period of more than one day, turnover is recognised on a straight-line basis over the duration of the period of consideration.

For the rendering of services where a customer receives all the consideration of the sale on one day, turnover is recognised on that day.

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

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided at the following rates in order to write off each asset over its estimated useful life

Short leasehold - over the life of the lease

Fixtures and fittings - 20% on cost

Computer equipment - 25% on cost

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

##### **Deferred tax**

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

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

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

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

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

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

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

# UNITED LANGUAGE SCHOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2019

### 3. TURNOVER

The turnover and profit (2018 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2019 £	2018 £
Course and related income	3,282,068	3,278,469
Accommodation sales	1,759,775	1,734,388
Other sales	422,077	350,713
Management charge	-	35,000
	<u>5,463,920</u>	<u>5,398,570</u>

### 4. EMPLOYEES AND DIRECTORS

	2019 £	2018 £
Wages and salaries	2,066,455	2,114,906
Other pension costs	29,834	24,996
	<u>2,096,289</u>	<u>2,139,902</u>

The average number of employees during the year was as follows:

	2019	2018
Teaching and administration staff	<u>91</u>	<u>84</u>

	2019 £	2018 £
Directors' remuneration	<u>-</u>	<u>-</u>

### 5. OPERATING PROFIT/(LOSS)

The operating profit (2018 - operating loss) is stated after charging:

	2019 £	2018 £
Other operating leases	142,180	147,180
Depreciation - owned assets	42,744	58,878
Auditors remuneration	<u>9,600</u>	<u>8,050</u>

### 6. TAXATION

#### Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2019 £	2018 £
Current tax:		
UK corporation tax	-	633
Tax on profit/(loss)	<u>-</u>	<u>633</u>

UK corporation tax has been charged at 19% (2018 - 19%).

**UNITED LANGUAGE SCHOOLS LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019**
**6. TAXATION - continued**
**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £	2018 £
Profit/(loss) before tax	86,311	(5,230)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	16,399	(994)
Effects of:		
Depreciation in excess of capital allowances	3,133	5,862
Group relief	(19,532)	(4,235)
Total tax charge	-	633

**7. TANGIBLE FIXED ASSETS**

	Short leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2019	58,490	807,485	248,479	1,114,454
Additions	9,777	16,531	3,316	29,624
At 31 December 2019	68,267	824,016	251,795	1,144,078
<b>DEPRECIATION</b>				
At 1 January 2019	15,614	747,396	231,156	994,166
Charge for year	4,620	24,426	13,698	42,744
At 31 December 2019	20,234	771,822	244,854	1,036,910
<b>NET BOOK VALUE</b>				
At 31 December 2019	48,033	52,194	6,941	107,168
At 31 December 2018	42,876	60,089	17,323	120,288

**8. STOCKS**

	2019 £	2018 £
Stock	7,293	7,297

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

	2019 £	2018 £
Trade debtors	675,685	531,796
Amounts owed by group undertakings	1,204,768	1,146,966
Other debtors	23,058	22,750
Prepayments	101,158	68,907
	2,004,669	1,770,419

# UNITED LANGUAGE SCHOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2019

### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Payments on account	617,961	606,678
Trade creditors	8,893	12,350
Amounts owed to group undertakings	62,183	-
Tax	-	633
Social security and other taxes	37,901	39,317
VAT	19,384	22,673
Other creditors	265,721	191,738
Deferred income	1,607,010	1,618,916
Accrued expenses	(3,673)	9,167
	<u>2,615,380</u>	<u>2,501,472</u>

### 11. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019 £	2018 £
Within one year	37,040	37,040
In more than five years	173,440	210,480
	<u>210,480</u>	<u>247,520</u>

### 12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2019 £	2018 £
3,750	Ordinary	£1	<u>3,750</u>	<u>3,750</u>

### 13. RESERVES

	Retained earnings £
At 1 January 2019	(2,314)
Profit for the year	<u>86,311</u>
At 31 December 2019	<u>83,997</u>

### 14. RELATED PARTY DISCLOSURES

United Language Schools Limited is a 100% subsidiary of Prime Education and Training Limited.

The Company has taken advantage of the exemption available by FRS 8 from disclosing related party transactions on the grounds that the results are included in consolidated accounts of the parent company.

## **UNITED LANGUAGE SCHOOLS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **15. POST BALANCE SHEET EVENTS**

After the balance sheet date but prior to the approval of these accounts an outbreak of the COVID-19 virus occurred causing a global pandemic recognised by the World Health Organisation (WHO).

The effect of UK, and USA Governments' measures to limit the spread of the virus have been widespread, urging people to remain at home wherever possible, including to work from home if available and to undertake "social distancing" measures. Part of the governments' actions have been to close schools and colleges, impose travel restrictions, quarantines and lockdown, which had an immediate impact on our operations.

In response to this the Directors of the company assessed the impact of these measures and actioned an Emergency Business Contingency Plan focussing on:

- " Expenditure reduction
- " Revenue protection
- " External financial support

The company responded quickly to move lessons online for current UK Academic, USA Pathway, and English language students, but none of the junior summer programmes could go ahead. Staff were already well positioned to work remotely so this has not had a significant impact on productivity.

The company's highest cost is employees and a remuneration control policy was immediately adopted, and reviewed on a weekly basis combining:

- " Implementation of UK / US Government Coronavirus Job Retention Schemes
- " Unpaid leave
- " Reduced pay / part-time working
- " Redundancy (voluntary / compulsory)

The company's main external suppliers are the landlords of school buildings, and residences. Each landlord was approached to negotiate rental holidays, deferrals and reductions.

The UK Government's unprecedented business aid package was also taken up. The details of this package include interest free cash loans, support from HMRC over late payment of payroll taxes and Value Added Tax. The UK Government's CBILS (Coronavirus Business Interruption Loan Scheme) loan application was accepted and funds were received during 2020. In the USA funds were received under the Government's Paycheck Protection Programme (PPP).

The Directors are confident the above measures mitigate the threat of the global pandemic enough so it does not cast material uncertainty over the ability of the Company to continue as a going concern, or necessitate any adjustments to the 2019 accounts presented.

The Directors continue to monitor the situation as it rapidly changes and believe the Company is positioned well to react to further developments.

#### **16. ULTIMATE CONTROLLING PARTY**

The controlling party is Prime Education & Training Limited.

The ultimate controlling party is N Pamplin, A Hutchinson, A Green & J A Flores.

This is by virtue of their 100% holding of the issued share capital of Prime Education & Training Limited.

#### **17. ACCOUNTING BASIS**

As stated in the accounting policy note, these financial statements have been prepared on the basis that the company will continue to be a going concern.

The Company utilises cash it generates from operations as a means of working capital. The directors have assessed the risk of this source of finance not being available to the Company on an ongoing basis as remote. As such, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing these financial statements.

**UNITED LANGUAGE SCHOOLS LIMITED**

**TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019		2018	
	£	£	£	£
<b>Turnover</b>				
Turnover	5,463,920		5,363,570	
Management fee	-		35,000	
		5,463,920		5,398,570
<b>Cost of sales</b>				
Activities and excursions	76,634		47,970	
Transport and transfers	83,601		65,700	
Accommodation and subsistence	1,360,989		1,377,547	
Academic materials	178,394		236,409	
Student recruitment costs	111,434		205,204	
Teachers salaries	1,565,777		1,527,007	
Pensions	29,834		24,996	
		3,406,663		3,484,833
<b>GROSS PROFIT</b>		2,057,257		1,913,737
<b>Expenditure</b>				
Rent	142,180		147,180	
Rates and water	91,550		68,079	
Insurance	7,110		12,481	
Light and heat	31,196		30,137	
Repairs and maintenance	18,965		32,268	
Wages	500,678		587,899	
Computer costs	27,050		37,672	
Telephone	19,042		34,022	
Printing, postage & stationery	13,833		20,779	
Promotion and advertising	4,255		4,699	
Travelling	2,803		4,508	
Student and staff welfare	14,785		12,934	
Household and cleaning	56,718		59,297	
Management charges	895,158		681,527	
Sundry expenses	191		97	
Subscriptions	19,432		22,079	
Accountancy	10,094		10,001	
Legal fees	45,199		50,070	
Staff training	13,506		24,563	
		1,913,745		1,840,292
		143,512		73,445
<b>Finance costs</b>				
Bank charges		14,016		19,796
		129,496		53,649
<b>Depreciation</b>				
Short leasehold	5,010		4,880	
Fixtures and fittings	24,426		41,049	
Computer equipment	13,749		12,950	
		43,185		58,879
<b>NET PROFIT/(LOSS)</b>		86,311		(5,230)

This page does not form part of the statutory financial statements