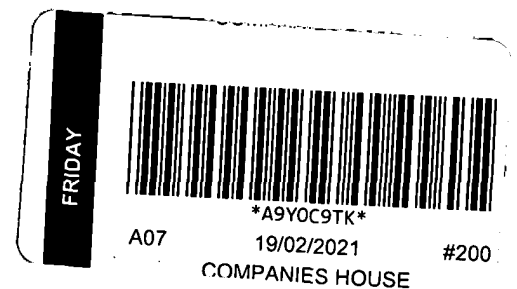

ST ANDREW'S TUTORIAL SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2020



LAKIN ROSE
CHARTERED ACCOUNTANTS

ST ANDREW'S TUTORIAL SERVICES LIMITED

COMPANY INFORMATION

Directors

W R Marshall
D R Martin
M J Martin
D M McEwan-Cox

Company secretary

M J Martin

Registered number

01835460

Registered office

13 Station Road
Cambridge
Cambridge
CB1 2JB

Independent auditors

Lakin Rose Limited
Chartered Accountants & Statutory Auditors
Pioneer House
Vision Park
Histon
Cambridge
CB24 9NL

Bankers

Lloyds TSB plc
Endeavour House
Chivers Way
Histon
Cambridge
CB24 9ZR

ST ANDREW'S TUTORIAL SERVICES LIMITED

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ST ANDREW'S TUTORIAL SERVICES LIMITED

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 AUGUST 2020

Introduction

St Andrew's Tutorial Services Limited is a limited company within a family-owned group, established over 30 years ago and based in Cambridge. It offers pre- A level, A level and Foundation Courses mainly to overseas students. The College is inspected by Ofsted and NCFE (Northern Council for Further Education) and is thus approved by UKVI (UK Visas and Immigration).

Select English Limited is a wholly-owned subsidiary offering English language courses in Cambridge. It is inspected by the British Council.

Business review

The financial year for the Group started very well and Select English had a very good summer. The academic year of St. Andrew's was also good albeit too dependent on Chinese students. Select English attracted a healthy number of short term groups to the point that we were full to capacity including the Halls of Residence.

Up until early March the company was heading for its best year ever. Then Covid hit. The short term groups cancelled and students who had been planning to come in the summer also cancelled and asked for refunds of deposits, which were returned. The country went into its first lockdown. Most air travel stopped and for a company reliant on foreign students, this was disastrous.

Most St. Andrew's students fortunately saw the virtues of continuing their course through to the end of the academic year either online or being physically present, which in both cases helped our cash flow. July and August are peak season months for teaching English as a Foreign Language but in summer 2020 there were almost no summer enrolments, despite fixed costs remaining the same.

It was therefore prudent to extend the financial year in these circumstances to take in these two loss-making months of July and August. Prospects for English Language courses will remain bleak until Covid is under control, the vaccines have been rolled out in those countries where we have substantial markets and in the UK and foreign travel returns to normal.

ST ANDREW'S TUTORIAL SERVICES LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2020

Principal risks and uncertainties

The principal risks and uncertainties are:

- Economic and Market

As everyone knows, towards the end on March 2020 the country went into lockdown to try to safeguard against the spread of COVID-19. For St. Andrew's and Select English this meant that many students returned home (Mexicans and Chinese especially), short term groups cancelled Select courses and the peak period for Select of summer 2020 did not take place.

Since then things have got worse rather than better for Select and the EFL business and market as a whole. As of today 33 English Language schools have closed since the outbreak – and that is when furlough is still in place! More will follow.

No one know when the EFL market will return to any semblance of normal, but the best guess is summer 2022. With this in mind, Select have put in place a business plan and cash flow forecast which should ensure they can move forward safely until that market does return. At that point there will be a lot less competition and kudos will automatically be given to the survivors.

- Compliance

Whilst this has been growing year on year (GDPR, Prevent, Safeguarding, all Health and Safety measures), a layer of further regulation has been required and prudent to combat Covid 19 and keep our staff and students safe when they have been physically present in the teaching premises and Halls of residence. We have done and continue doing this, but it has an obvious impact on costs and staffing.

- Finance

The company has benefited from its long and prudent stance on costs and gearing. St. Andrew's has been fortunate in that it was able to collect summer course fees (April-June 2020) and was thus able to maintain a strong cash balance even when many clients were requesting refunds (that were given). This strong cash position has continued into the new academic year from September 2020.

In the event that this pandemic continues beyond 2021, the Board would put in its own resources as a loan and wait for better times to come before seeking repayment.

Financial key performance indicators

- Revenue has remained at £7.1M
- Profit before tax rose to £639K from £283K
- Shareholders' funds has risen to £7.76M from £7.29M
- Gearing continues to remain low.

This report was approved by the board on 29 January 2021 and signed on its behalf.



M J Martin
Director

ST ANDREW'S TUTORIAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 AUGUST 2020

The directors present their report and the financial statements for the period ended 31 August 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the period, after taxation, amounted to £465,929 (2019 - £227,536).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the period were:

W R Marshall
D R Martin
M J Martin
D M McEwan-Cox

Future developments

The group looks to consolidate its financial position whilst being ready to take advantage of any low risk opportunities that may arise.

ST ANDREW'S TUTORIAL SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2020**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

This report was approved by the board on 29 January 2021 and signed on its behalf.



M J Martin
Director

ST ANDREW'S TUTORIAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST ANDREW'S TUTORIAL SERVICES LIMITED

Opinion

We have audited the financial statements of St Andrew's Tutorial Services Limited (the 'parent company') and its subsidiaries (the 'Group') for the period ended 31 August 2020, which comprise the Group Statement of Comprehensive Income, the Group and company Balance Sheets, the Group Statement of Cash Flows, the Group and company Statement of Changes in Equity and the related notes, 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 Group's and of the parent company's affairs as at 31 August 2020 and of the Group's profit for the period 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

ST ANDREW'S TUTORIAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST ANDREW'S TUTORIAL SERVICES LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report 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.

Opinion 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 Group Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report 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 Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

ST ANDREW'S TUTORIAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST ANDREW'S TUTORIAL SERVICES LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 is 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 Group's and the parent 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 Group or the parent 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 an Auditors' Report 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 Group 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. This description forms part of our Auditors' Report.

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 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.



Christopher Beaumont (Senior Statutory Auditor)

for and on behalf of
Lakin Rose Limited

Chartered Accountants
Statutory Auditors

Pioneer House
Vision Park
Histon
Cambridge
CB24 9NL

29 January 2021

ST ANDREW'S TUTORIAL SERVICES LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 AUGUST 2020**

	Note	2020 £	2019 £
Turnover	4	7,109,581	7,138,689
Cost of sales		(4,830,921)	(4,952,526)
Gross profit		2,278,660	2,186,163
Selling and distribution expenses		(223,462)	(294,765)
Administrative expenses		(2,118,373)	(2,120,810)
Other operating income	5	702,259	520,091
Operating profit	6	639,084	290,679
Interest receivable and similar income		2,071	782
Interest payable and similar expenses	10	(2,615)	(8,912)
Profit before taxation		638,540	282,549
Tax on profit	11	(172,611)	(55,013)
Profit for the financial period		465,929	227,536
Profit for the period attributable to:			
Owners of the parent company		465,929	227,536
		465,929	227,536

The notes on pages 15 to 32 form part of these financial statements.

ST ANDREW'S TUTORIAL SERVICES LIMITED
REGISTERED NUMBER: 01835460

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	31 August 2020 £	30 June 2019 £
Fixed assets			
Tangible assets	12	8,574,772	8,763,636
Current assets			
Debtors: amounts falling due after more than one year	14	-	13,963
Debtors: amounts falling due within one year	14	290,827	992,471
Bank and cash balances		1,072,781	1,518,455
		<u>1,363,608</u>	<u>2,524,889</u>
Creditors: amounts falling due within one year	15	(1,841,285)	(3,504,371)
Net current liabilities		<u>(477,677)</u>	<u>(979,482)</u>
Total assets less current liabilities		<u>8,097,095</u>	<u>7,784,154</u>
Creditors: amounts falling due after more than one year	16	(21,788)	(163,300)
Provisions for liabilities			
Deferred taxation	19	(164,397)	(154,593)
Other provisions	20	(151,660)	(172,940)
		<u>(316,057)</u>	<u>(327,533)</u>
Net assets		<u><u>7,759,250</u></u>	<u><u>7,293,321</u></u>
Capital and reserves			
Called up share capital	21	8,068	8,068
Share premium account	22	16,250	16,250
Revaluation reserve	22	1,387,362	1,412,689
Capital redemption reserve	22	10,695	10,695
Profit and loss account	22	6,336,875	5,845,619
		<u><u>7,759,250</u></u>	<u><u>7,293,321</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 January 2021.


M J Martin
 Director

ST ANDREW'S TUTORIAL SERVICES LIMITED
REGISTERED NUMBER: 01835460

COMPANY BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	31 August 2020 £	30 June 2019 £
Fixed assets			
Tangible assets	12	8,537,452	8,716,172
Investments	13	2	2
		<u>8,537,454</u>	<u>8,716,174</u>
Current assets			
Debtors: amounts falling due after more than one year	14	-	13,963
Debtors: amounts falling due within one year	14	210,394	166,716
Bank and cash balances		884,103	197,815
		<u>1,094,497</u>	<u>378,494</u>
Creditors: amounts falling due within one year	15	(2,043,711)	(1,546,093)
Net current liabilities		<u>(949,214)</u>	<u>(1,167,599)</u>
Total assets less current liabilities		<u>7,588,240</u>	<u>7,548,575</u>
Creditors: amounts falling due after more than one year	16	(21,788)	(163,300)
Provisions for liabilities			
Deferred taxation	19	(157,578)	(146,858)
Other provisions	20	(151,660)	(172,940)
		<u>(309,238)</u>	<u>(319,798)</u>
Net assets		<u><u>7,257,214</u></u>	<u><u>7,065,477</u></u>
Capital and reserves			
Called up share capital	21	8,068	8,068
Share premium account	22	16,250	16,250
Revaluation reserve	22	1,387,362	1,412,689
Capital redemption reserve	22	10,695	10,695
Profit and loss account	22	5,834,839	5,617,775
		<u><u>7,257,214</u></u>	<u><u>7,065,477</u></u>

ST ANDREW'S TUTORIAL SERVICES LIMITED
REGISTERED NUMBER: 01835460

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 January 2021.



M J Martin
Director

ST ANDREW'S TUTORIAL SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUGUST 2020**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 July 2018	8,068	16,250	10,695	1,434,397	5,596,375	7,065,785
Profit for the year	-	-	-	-	227,536	227,536
Transfer from revaluation reserve	-	-	-	-	21,708	21,708
Transfer of excess depreciation to profit and loss account	-	-	-	(21,708)	-	(21,708)
At 1 July 2019	8,068	16,250	10,695	1,412,689	5,845,619	7,293,321
Profit for the period	-	-	-	-	465,929	465,929
Transfer from revaluation reserve	-	-	-	-	25,327	25,327
Transfer of excess depreciation to profit and loss account	-	-	-	(25,327)	-	(25,327)
At 31 August 2020	8,068	16,250	10,695	1,387,362	6,336,875	7,759,250

ST ANDREW'S TUTORIAL SERVICES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUGUST 2020**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 July 2018	8,068	16,250	10,695	1,434,397	5,469,753	6,939,163
Profit for the year	-	-	-	-	126,314	126,314
Transfer from revaluation reserve	-	-	-	-	21,708	21,708
Transfer of excess depreciation to profit and loss account	-	-	-	(21,708)	-	(21,708)
At 1 July 2019	8,068	16,250	10,695	1,412,689	5,617,775	7,065,477
Profit for the period	-	-	-	-	191,737	191,737
Transfer from revaluation reserve	-	-	-	-	25,327	25,327
Transfer of excess depreciation to profit and loss account	-	-	-	(25,327)	-	(25,327)
At 31 August 2020	8,068	16,250	10,695	1,387,362	5,834,839	7,257,214

ST ANDREW'S TUTORIAL SERVICES LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2020**

	31 August 2020 £	30 June 2019 £
Cash flows from operating activities		
Profit for the financial period	465,929	227,536
Adjustments for:		
Depreciation of tangible assets	241,641	185,025
Loss on disposal of tangible assets	1,753	2,469
Coronavirus Job Retention Scheme	(280,742)	-
Interest paid	2,615	8,912
Interest received	(2,071)	(782)
Taxation charge	172,611	55,013
Decrease/(increase) in debtors	715,607	(20,715)
(Decrease)/increase in creditors	(1,737,061)	447,830
(Decrease) in provisions	(21,280)	(6,500)
Corporation tax (paid)	(70,047)	(63,674)
Net cash generated from operating activities	(511,045)	835,114
Cash flows from investing activities		
Purchase of tangible fixed assets	(54,530)	(98,923)
Coronavirus Job Retention Scheme	280,742	-
Interest received	2,071	782
Net cash from investing activities	228,283	(98,141)
Cash flows from financing activities		
Repayment of loans	(160,297)	(285,993)
Interest paid	(2,615)	(8,912)
Net cash used in financing activities	(162,912)	(294,905)
Net (decrease)/increase in cash and cash equivalents	(445,674)	442,068
Cash and cash equivalents at beginning of period	1,518,455	1,076,387
Cash and cash equivalents at the end of period	1,072,781	1,518,455
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	1,072,781	1,518,455
	1,072,781	1,518,455

ST ANDREW'S TUTORIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2020

1. General information

St Andrew's Tutorial Services Limited ("the company") supplies tuition, accommodation and other ancillary services. The company is also the parent company of Select English Limited which supplies tuition, accommodation and other ancillary services for teaching English as a foreign language.

The company is a private limited company, limited by shares and is incorporated and domiciled in England. The address of its registered office is 13 Station Road, Cambridge, CB1 2JB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

ST ANDREW'S TUTORIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.3 Revenue

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. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Turnover is recognised over the period in which each course is held.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.5 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

ST ANDREW'S TUTORIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Operating leases: the Group as lessee

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

2.8 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.9 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

ST ANDREW'S TUTORIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income, or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold buildings	- 2% straight line
Furniture, fittings and equipment	- 10-25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

ST ANDREW'S TUTORIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.12 Revaluation of tangible fixed assets

On transition to FRS 102, the Group were allowed to measure certain assets using a previous GAAP valuation and use this valuation as the deemed cost on transition.

The Group has accordingly opted to measure freehold property in this way and will retain a revaluation reserve to record the uplift. The impact of additional depreciation will be offset by transferring equivalent amounts from the revaluation reserve.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

ST ANDREW'S TUTORIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2020

3. Judgments in applying accounting policies and key sources of estimation uncertainty

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

The company 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 addressed below:

1) the annual depreciation charge for tangible assets is sensitive to changes in estimated useful economic lives and residual values of the assets. These are assessed annually.

2) the recoverable values of debtors may be estimated in the event of impairment of these assets.

4. Turnover

The whole of the turnover is attributable to the provision of tuition, accommodation and other ancillary educational services.

All turnover arose within the United Kingdom.

5. Other operating income

	2020 £	2019 £
Coronavirus Job Retention Scheme	280,742	-
Other fees	339,120	411,262
Cancellation fees	72,727	71,725
Examination income	9,670	37,104
	<u>702,259</u>	<u>520,091</u>

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	241,641	185,025
Exchange differences	(3,939)	30
Fees payable to the group's auditor and its associates for the audit of the company's financial statements	23,280	19,750
Defined contribution pension cost	<u>403,427</u>	<u>372,605</u>

ST ANDREW'S TUTORIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

7. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	23,280	19,750
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	1,750	1,750
Other services relating to taxation	4,680	2,880
All other services	5,226	3,728
	11,656	8,358

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 31 August 2020 £	Group 30 June 2019 £	Company 31 August 2020 £	Company 30 June 2019 £
Wages and salaries	2,204,735	2,050,512	1,153,452	1,138,728
Social security costs	183,087	173,637	107,742	105,427
Cost of defined contribution scheme	431,655	372,607	403,427	220,317
	2,819,477	2,596,756	1,664,621	1,464,472

The average monthly number of employees, including the directors, during the period was as follows:

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Management	4	4	2	2
Teaching	57	74	33	35
Support and administration	29	20	10	10
Accommodation	14	13	13	13
	104	111	58	60

ST ANDREW'S TUTORIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	117,001	112,235
Company contributions to defined contribution pension schemes	305,839	135,503
	<u>422,840</u>	<u>247,738</u>

During the period retirement benefits were accruing to 6 directors (2019 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £71,939 (2019 - £64,821).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,524 (2019 - £68,121).

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	2,615	8,912
	<u>2,615</u>	<u>8,912</u>

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	162,807	70,047
Deferred tax		
Origination and reversal of timing differences	9,804	(15,034)
Total deferred tax	<u>9,804</u>	<u>(15,034)</u>
Taxation on profit on ordinary activities	<u>172,611</u>	<u>55,013</u>

ST ANDREW'S TUTORIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

11. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	638,540	282,549
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	121,323	53,684
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,268	2,479
Capital allowances for period/year in excess of depreciation	42,020	(1,150)
Total tax charge for the period/year	172,611	55,013

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

ST ANDREW'S TUTORIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

12. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 July 2019	8,857,785	900,802	9,758,587
Additions	-	54,530	54,530
Disposals	-	(41,022)	(41,022)
At 31 August 2020	<u>8,857,785</u>	<u>914,310</u>	<u>9,772,095</u>
Depreciation			
At 1 July 2019	485,035	509,916	994,951
Charge for the period on owned assets	129,010	112,631	241,641
Disposals	-	(39,269)	(39,269)
At 31 August 2020	<u>614,045</u>	<u>583,278</u>	<u>1,197,323</u>
Net book value			
At 31 August 2020	<u><u>8,243,740</u></u>	<u><u>331,032</u></u>	<u><u>8,574,772</u></u>
At 30 June 2019	<u><u>8,372,750</u></u>	<u><u>390,886</u></u>	<u><u>8,763,636</u></u>

ST ANDREW'S TUTORIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

12. Tangible fixed assets (continued)

Company

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 July 2019	8,857,785	803,905	9,661,690
Additions	-	41,819	41,819
Disposals	-	(20,810)	(20,810)
At 31 August 2020	<u>8,857,785</u>	<u>824,914</u>	<u>9,682,699</u>
Depreciation			
At 1 July 2019	485,035	460,483	945,518
Charge for the period on owned assets	129,010	89,776	218,786
Disposals	-	(19,057)	(19,057)
At 31 August 2020	<u>614,045</u>	<u>531,202</u>	<u>1,145,247</u>
Net book value			
At 31 August 2020	<u>8,243,740</u>	<u>293,712</u>	<u>8,537,452</u>
At 30 June 2019	<u>8,372,750</u>	<u>343,422</u>	<u>8,716,172</u>

ST ANDREW'S TUTORIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2019	2
At 31 August 2020	<u>2</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Principal activity	Class of shares	Holding
Select English Limited	English language tuition	Ordinary	100%

The aggregate of the share capital and reserves as at 31 August 2020 and the profit or loss for the period ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit for the year
Select English Limited	<u>502,038</u>	<u>274,192</u>

ST ANDREW'S TUTORIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

14. Debtors

	Group 31 August 2020 £	Group 30 June 2019 £	Company 31 August 2020 £	Company 30 June 2019 £
Due after more than one year				
Other debtors	-	13,963	-	13,963
	<u>-</u>	<u>13,963</u>	<u>-</u>	<u>13,963</u>
	Group 31 August 2020 £	Group 30 June 2019 £	Company 31 August 2020 £	Company 30 June 2019 £
Due within one year				
Trade debtors	92,320	299,637	89,624	11,136
Other debtors	40,034	1,675	29,948	1,602
Prepayments and accrued income	158,473	691,159	90,822	153,978
	<u>290,827</u>	<u>992,471</u>	<u>210,394</u>	<u>166,716</u>

15. Creditors: Amounts falling due within one year

	Group 31 August 2020 £	Group 30 June 2019 £	Company 31 August 2020 £	Company 30 June 2019 £
Bank loans	3,524	22,309	3,524	22,309
Payments received on account	695,086	302,098	695,086	302,098
Trade creditors	57,746	171,772	56,761	110,989
Amounts owed to group undertakings	-	-	485,350	810,015
Corporation tax	162,806	70,047	90,809	45,198
Other taxation and social security	26,742	96,762	13,365	56,969
Other creditors	400,715	109,245	400,715	108,900
Accruals and deferred income	494,666	2,732,138	298,101	89,615
	<u>1,841,285</u>	<u>3,504,371</u>	<u>2,043,711</u>	<u>1,546,093</u>

ST ANDREW'S TUTORIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

16. Creditors: Amounts falling due after more than one year

	Group 31 August 2020 £	Group 30 June 2019 £	Company 31 August 2020 £	Company 30 June 2019 £
Bank loans	21,788	163,300	21,788	163,300
	21,788	163,300	21,788	163,300

17. Loans

	Group 31 August 2020 £	Group 30 June 2019 £	Company 31 August 2020 £	Company 30 June 2019 £
Amounts falling due within one year				
Bank loans	3,524	22,309	3,524	22,309
Amounts falling due 1-2 years				
Bank loans	3,609	22,848	3,609	22,848
Amounts falling due 2-5 years				
Bank loans	18,179	71,910	18,179	71,910
Amounts falling due after more than 5 years				
Bank loans	-	68,542	-	68,542
	25,312	185,609	25,312	185,609

The bank loans are secured against property assets of the group and company. The loans are repayable by 21 April 2027 and incur interest at a rate of 2.14% above bank base rate.

ST ANDREW'S TUTORIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

18. Financial instruments

	Group 31 August 2020 £	<i>Group 30 June 2019 £</i>	Company 31 August 2020 £	<i>Company 30 June 2019 £</i>
Financial assets				
Financial assets measured at fair value through profit or loss	1,072,781	1,518,455	884,103	197,814
Financial assets that are debt instruments measured at amortised cost	132,354	315,274	119,572	26,701
	<u>1,205,135</u>	<u>1,833,729</u>	<u>1,003,675</u>	<u>224,515</u>
Financial liabilities				
Financial liabilities measured at amortised cost	558,207	597,301	1,027,944	1,289,616

Financial assets measured at fair value through profit and loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise bank loans, trade and other creditors and accruals.

ST ANDREW'S TUTORIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

19. Deferred taxation

Group

	2020 £	2019 £
At beginning of year	154,593	169,627
Charged/(credited) to profit or loss	9,804	(15,034)
At end of year	164,397	154,593

Company

	2020 £	2019 £
At beginning of year	146,858	161,431
Charged/(credited) to profit or loss	10,720	(14,573)
At end of year	157,578	146,858

	Group 31 August 2020 £	<i>Group 30 June 2019 £</i>	Company 31 August 2020 £	<i>Company 30 June 2019 £</i>
Accelerated capital allowances	90,606	89,437	83,787	81,674
Pension surplus	-	(868)	-	(840)
Fixed asset revaluation	73,791	66,024	73,791	66,024
	164,397	<i>154,593</i>	157,578	<i>146,858</i>

ST ANDREW'S TUTORIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020**

20. Provisions

Group

	Lease dilapidation provision £	Total £
At 1 July 2019	172,940	172,940
Utilised in period	(21,280)	(21,280)
At 31 August 2020	151,660	151,660

Company

	Lease dilapidation provision £	Total £
At 1 July 2019	172,940	172,940
Utilised in period	(21,280)	(21,280)
At 31 August 2020	151,660	151,660

21. Share capital

	31 August 2020 £	30 June 2019 £
Allotted, called up and fully paid		
8,068 (2019 - 8,068) Ordinary shares of £1 each	8,068	8,068

ST ANDREW'S TUTORIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2020

22. Reserves

Share premium account

This includes any premiums received on issue of share capital. Any transaction costs associated with issuing shares are deducted from the share premium account.

Revaluation reserve

This includes all surpluses and deficits arising from a revaluation.

Capital redemption reserve

This includes the share capital that has been redeemed by the company.

Profit and loss account

This includes all current and prior year retained profits and losses.

23. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £431,656 (2019 - £372,605). Contributions totalling £41 (2019 - £5,105) were payable to the fund at the balance sheet date and are included in creditors.

24. Commitments under operating leases

At 31 August 2020 the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 31 August 2020 £	<i>Group 30 June 2019 £</i>	Company 31 August 2020 £	<i>Company 30 June 2019 £</i>
Not later than 1 year	198,300	203,600	198,300	203,600
Later than 1 year and not later than 5 years	462,000	579,150	462,000	579,150
Later than 5 years	558,250	285,800	558,250	285,800
	<u>1,218,550</u>	<u>1,068,550</u>	<u>1,218,550</u>	<u>1,068,550</u>

25. Related party transactions

The group paid £134,750 (2019 - £115,500) to St Andrew's Tutorial Services Pension Scheme to rent a freehold property owned by the scheme. Two of the directors are members of the scheme.

A director made a loan of £340,000 to the group in the period. The loan is interest free and repayable on demand.