Active English Limited

Financial statements

For the year ended 31 August 2007

Company No. 3800313

Company information

Company registration number	3800313
Registered office	Berkshire College Hall Place Burchetts Green Maidenhead Berkshire SL6 6QR
Directors	R M Clarke D J Walker
Secretary	D J Walker
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Churchill House Chalvey Road East Slough Berkshire SL1 2LS

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 August 2007.

Principal activities and business review

The principal activity of the company during the year was the provision of english language education. On 28 February 2006, the trade, assets and liabilities of Active English Limited were transferred to its parent company, Ardmore Language Schools Limited at net book value On this date the company ceased to trade.

Results and dividends

The profit for the year, after taxation, amounted to £627. The directors have not recommended a dividend.

The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 August 2007	At 1 September 2006
R M Clarke	-	-
D J Walker	-	-

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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 proper accounting records that 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 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.

In 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 to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

R M Clarke
Director
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Report of the independent auditor to the members of Active English Limited

We have audited the financial statements of Active English Limited for the year ended 31 August 2007 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 20 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of 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 judgements 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.

Report of the independent auditor to the members of Active English Limited (continued)

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 31 August 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

GRANT THORNTON UK LLP Grant Thornton UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
THAMES VALLEY OFFICE
SLOUGH

29 Febry 2008

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year (excluding Value Added Tax and trade discounts).

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	not depreciated
Fixtures & Fittings	-	25% reducing balance

The freehold property is not depreciated, as in the opinion of the directors, the property's realisable value is greater than the book value in the financial statements.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

	Note	2007 £	2006 £
Turnover	1	-	4,279
Cost of sales		-	16,947
Gross loss		-	(12,668)
Other operating charges	2	3,366	86,744
Other operating income	3	(25,000)	-
Operating profit/(loss)	4	21,634	(99,412)
Income from shares in group undertakings	6	-	514,044
Interest receivable		-	30
Interest payable and similar charges	7	(19,636)	(14,953)
Profit on ordinary activities before taxation		1,998	399,709
Tax on profit on ordinary activities	8	1,371	-
Profit for the financial year	16	627	399,709

All of the activities of the company are classed as continuing

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

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	9	460,097	450,000
Current assets			
Debtors	10	310,767	342,014
Creditors: amounts falling due within one year	11	28,459	24,000
Net current assets		282,308	318,014
Total assets less current liabilities		742,405	768,014
Creditors: amounts falling due after more than one year	12	283,119	309,355
		459,286	458,659
Capital and reserves			
Called-up equity share capital	15	400,100	400,100
Revaluation reserve		58,559	58,559
Profit and loss account	16	627	-
Shareholders' funds	17	459,286	458,659

These financial statements were approved by the directors on 28 Feb 2008 and are signed on their behalf by:

R M Clarke
Director

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	2007	2006
	£	£
United Kingdom	-	4,279

2 Other operating charges

	2007	2006
	£	£
Administrative expenses	3,366	86,744

3 Other operating income

	2007	2006
	£	£
Rent receivable	25,000	-

4 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2007	2006
	£	£
Directors' emoluments	-	-
Depreciation of owned fixed assets	3,366	3,464
Auditor's remuneration:		
Audit fees	-	1,000

5 Directors and employees

The average number of staff employed by the company during the financial year amounted to:

	2007 No	2006 No
Number of administrative staff	-	1

The aggregate payroll costs of the above were:

	2007 £	2006 £
Wages and salaries	-	40,225
Social security costs	-	1,944
	-	42,169

6 Income from shares in group undertakings

	2007 £	2006 £
Income from group undertakings	-	514,044

7 Interest payable and similar charges

	2007 £	2006 £
Interest payable on bank borrowing	19,527	14,953
Finance charges	109	–
	19,636	14,953

8 Taxation on ordinary activities

(a) Analysis of charge in the year

	2007 £	2006 £
Current tax.		
UK Corporation tax based on the results for the year at 19% (2006 - 30%)	643	-
Under provision in prior year	728	-
Total current tax	1,371	-

8 Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

	2007 £	2006 £
Profit on ordinary activities before taxation	1,998	399,709
Profit on ordinary activities by rate of tax	380	119,913
Capital allowances for period in excess of depreciation	(384)	1,039
Other timing difference	-	(154,213)
Group relief surrendered	-	33,261
Adjustments to tax charge in respect of previous periods	728	-
Marginal relief adjustment	(35)	-
Utilisation of tax losses	682	-
Total current tax (note 8(a))	1,371	-

9 Tangible fixed assets

	Freehold Property £	Fixtures & Fittings £	Total £
Cost or valuation			
At 1 September 2006	466,311	-	466,311
Additions	-	13,463	13,463
At 31 August 2007	466,311	13,463	479,774
Depreciation			
At 1 September 2006	16,311	-	16,311
Charge for the year	-	3,366	3,366
At 31 August 2007	16,311	3,366	19,677
Net book value			
At 31 August 2007	450,000	10,097	460,097
At 31 August 2006	450,000	-	450,000

The freehold property was revalued on 8 November 2004 by C Broome BSc MRICS of Cluttons, Chartered Surveyors, resulting in a revaluation surplus of £58,559.

If the property had not been revalued, it would have been included at a net book value, on the historical cost basis, of £407,752 (2006: £407,752)

No provision has been made for deferred taxation in the revaluation surplus as there is no intention to dispose of the property in the foreseeable future.

10 Debtors

	2007	2006
	£	£
Amounts owed by group undertakings	310,767	342,014

11 Creditors: amounts falling due within one year

	2007	2006
	£	£
Bank loans and overdrafts	24,000	24,000
Corporation tax	643	-
Accruals and deferred income	3,816	-
	28,459	24,000

12 Creditors: amounts falling due after more than one year

	2007	2006
	£	£
Bank loans and overdrafts	283,119	309,355

The bank loan is repayable by monthly instalments. There were 142 instalments repayable at the period end. Interest is charged on the loan at 1.5% above the National Westminster Bank plc base rate The loan is secured on the land and buildings at 12 Evershed Road, Eastbourne and also has an unlimited guarantee from the parent company

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2007	2006
	£	£
Bank loans and overdrafts	187,119	213,355

13 Derivatives

In the opinion of the directors there are no derivatives at 31 August 2007 or 31 August 2006.

14 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8'Related Party Disclosures' not to disclose transactions with fellow group undertakings controlled by Ardmore Language Schools Limited where 90% or more of the voting rights are controlled within the group.

15 Share capital

Authorised share capital:

	2007	2006
	£	£
500,000 Ordinary shares of £1 each	500,000	500,000

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	400,100	400,100	400,100	400,100

16 Profit and loss account

	2007	2006
	£	£
Balance brought forward	-	(399,709)
Profit for the financial year	627	399,709
Balance carried forward	627	-

17 Reconciliation of movements in shareholders' funds

	2007	2006
	£	£
Profit for the financial year	627	399,709
Opening shareholders' funds	458,659	58,950
Closing shareholders' funds	459,286	458,659

18 Capital commitments

There were no capital commitments as at 31 August 2007 or 31 August 2006

19 Contingent liabilities

There were no contingent liabilities as at 31 August 2007 or 31 August 2006.

20 Ultimate parent company

The directors consider that the ultimate parent company is Ardmore Language Schools Limited, a company registered in England & Wales, by virtue of its 100% ownership of the share capital of Active English Limited.