

ENGLISH LANGUAGE HOLDINGS LTD

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021

ENGLISH LANGUAGE HOLDINGS LTD

COMPANY INFORMATION

Director	A M Sotelo
Registered number	12405113
Registered office	New Penderel House 4th Floor 283-288 High Holborn London United Kingdom WC1V 7HP
Independent auditor	ZEDRA Corporate Reporting Services (UK) Limited

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BALANCE SHEET
AS AT 31 DECEMBER 2021

		31 December 2021 £	<i>As restated 31 January 2021 £</i>
Fixed assets			
Investments	3	1,480,915	7,757,370
		1,480,915	7,757,370
Current assets			
Debtors: amounts falling due within one year	5	1,863	10,656
Cash at bank and in hand		5,063	11,132
		6,926	21,788
Creditors: amounts falling due within one year	6	(204,657)	(139,512)
Net current liabilities		(197,731)	(117,724)
Total assets less current liabilities		1,283,184	7,639,646
Net assets		1,283,184	7,639,646

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

		31 December	<i>As restated</i>
		2021	<i>31 January</i>
	Note	£	<i>2021</i>
Capital and reserves			£
Called up share capital	7	13,176	12,717
Share premium account	8	7,996,191	7,744,653
Profit and loss account		(6,726,183)	(117,724)
		<u>1,283,184</u>	<u>7,639,646</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A M Sotelo
Director

Date: 14 July 2023

The notes on pages 4 to 9 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 February 2020	12,717	7,744,653	-	7,757,370
Comprehensive income for the year				
Loss for the year (restated)	-	-	(117,724)	(117,724)
Total transactions with owners	-	-	-	-
At 1 February 2021 (as previously stated)	12,717	7,744,653	(40,685)	7,716,685
Prior year adjustment	-	-	(77,039)	(77,039)
At 1 February 2021 (as restated)	12,717	7,744,653	(117,724)	7,639,646
Comprehensive income for the period				
Loss for the period	-	-	(6,608,459)	(6,608,459)
Contributions by and distributions to owners				
Shares issued during the period	459	251,538	-	251,997
At 31 December 2021	13,176	7,996,191	(6,726,183)	1,283,184

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

1. Accounting policies

1.1 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The prior period covered 11 months of trade and therefore not entirely comparable.

The following principal accounting policies have been applied:

1.2 Going concern

In March 2022, the Company entered into an agreement to provide services to their parent company, Open Education LLC.

This agreement ensures that the Company receives remuneration on a cost plus basis for their services provided.

The Company has also received written confirmation from the parent company that it intends to support the Company for a period of at least 12 months from the approval of these financial statements.

In auditing the financial statements, we have concluded that the company is entirely reliant on the ongoing support of Open Education LLC. We have identified a material uncertainty in relation to going concern as Open Education LLC relies on long and short term debt to continue in existence in the next 12 months.

In preparing these financial statements, the director has considered the ability of Open Education LLC to provide appropriate reimbursement for costs for a period of at least 12 months from the date of approval of these financial statements. The director has reviewed the cash flow forecasts of the parent company together with the expected expenditure of the Company and on this basis have determined that it is appropriate to prepare the financial statements on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.3 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.

1.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

1.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

1.7 Creditors

Short term creditors are measured at the transaction price. Amounts owed to group undertakings are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £NIL).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

3. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 February 2021	7,757,370
	<hr/>
At 31 December 2021	7,757,370
	<hr/>
Impairment	
Charge for the period	6,276,455
	<hr/>
At 31 December 2021	6,276,455
	<hr/>
Net book value	
At 31 December 2021	1,480,915
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<i>At 31 January 2021</i>	<u>7,757,370</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

4. Auditors' information

The auditors' report on the financial statements for the period ended 31 December 2021 was qualified.

The qualification in the audit report was as follows:

We were unable to obtain sufficient appropriate evidence with respect to the Company's brought forward investment balance valuation of £7,757,370 at 1 February 2021.

Whilst we attempted to do so, we were unable to obtain sufficient appropriate audit evidence of the valuation using other audit procedures. Consequently, we have qualified our audit opinion in respect of this balance. This has not had any impact on our ability to obtain sufficient appropriate audit evidence relating to the closing balance as at 31 December 2021.

We draw attention to note 1.2 in the financial statements, which indicates that the Company is entirely reliant on the ongoing support of the parent company to continue in existence. As stated in note 1.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

The comparative period was unaudited as the Company did not require an audit.

The audit report was signed on 14 July 2023 by Dominic King ACA (Senior Statutory Auditor) on behalf of ZEDRA Corporate Reporting Services (UK) Limited.

5. Debtors

	31 December 2021 £	<i>As restated 31 January 2021 £</i>
Trade debtors	-	2,862
Other debtors	1,863	7,794
	<hr/>	<hr/>
	1,863	10,656
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

6. Creditors: Amounts falling due within one year

	31 December 2021 £	<i>As restated 31 January 2021 £</i>
Other loans	-	36,417
Trade creditors	3,905	19,842
Amounts owed to group undertakings	196,294	82,037
Accruals and deferred income	4,458	1,216
	<u>204,657</u>	<u><i>139,512</i></u>

7. Share capital

	31 December 2021 £	<i>31 January 2021 £</i>
Allotted, called up and fully paid		
774,670 (2021 - 774,670) Ordinary A shares of £0.01 each	7,747	7,747
373,049 (2021 - 327,136) Ordinary B shares of £0.01 each	3,730	3,271
169,895 (2021 - 169,895) Ordinary C shares of £0.01 each	1,699	1,699
	<u>13,176</u>	<u><i>12,717</i></u>

During the period, an amount of 45,913 Ordinary B shares were issued at £0.01, the consideration paid for these shares was £5.445 per share.

8. Reserves

Share premium account

During the year an amount of £249,537 premium shares were issued.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

9. Prior year adjustment

A prior year adjustment has been made to reflect that sales and costs of sales previously recorded by the Company were made by a subsidiary company.

- reduce previously stated revenue by £153,540;
- reduce previously stated costs of sales by £71,501; and
- increase amounts owed to group companies by £82,039.

Additionally, an adjustment has been made to recognise a cash deposit which was previously expensed, the effect of this has been to increase cash and cash equivalents by £5,000 and reduce administrative expenditure by the same amount.

A further reclassification adjustment has been made to remove £33,785 in cash balance which was a reduction in liability and increase in other debtors being misallocated to the cash and cash equivalent. The effect of this has been to decrease cash by £33,785, decrease other loan by £28,814 and increase other debtors by £4,971.

The net effect of these adjustments on the brought forward retained deficit has been an increase of £77,039.

10. Controlling party

Open Education LLC, is the parent of the smallest group for which consolidated financial statements are drawn up, of which the Company is a member. This company is incorporated in the United States of America.

11. Post balance sheet events

There were no adjusting or other non-adjusting events occurring between the end of the reporting period and the date these financial statements were approved.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.