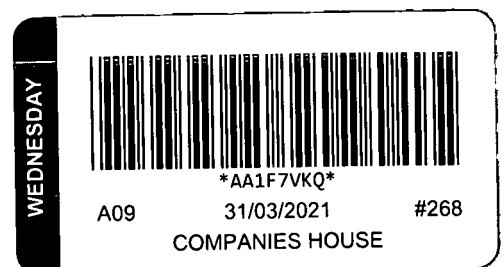


Registered number: 01302471

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

COMPANY INFORMATION

Directors

Simon Donald Perkins
Rakesh Bhalla
Peter Michael Lowy
Stephen Julius Lowy
Leslie Jeffrey Zweigman

Company secretary

Peter Michael Lowy

Registered number

01302471

Registered office

5 Richbell Place
London
WC1N 3LA

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 23

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

Business review

Although there were considerable challenges driven by Covid and the lack of movement of US Students into the UK at the end of the accounting period the directors are satisfied with the results for the year to 31 March 2020.

The results benefit from a full year of trading under its recently formed Residence Brand which contributed some £1.5m of revenue. Revenues for student housing and academic services also saw growth for the first three quarters.

We relocated to our new Study Centre during the year and as a result profits were impacted by additional operating costs from having two Centres. The lease of the old Study Centre ends in June 2021.

Q4 trading was significantly impacted by the pandemic as it began to take hold and, as a result, the Company incurred an operating loss of £31k for the year to 31 March 2020 compared to a profit of £228k for the previous year.

Principal risks and uncertainties

The financial risk management within the Group is governed by policies by the Board of Directors and senior management. These policies cover interest rate risk and areas such as cash management.

Group's exposure to various risks:

Credit risk

The Group is not exposed to credit risk. All cash is deposited with its UK banks. The principal amount disclosed within debtors are amounts due from UK based customers and entities.

Market risk – Foreign exchange risk

The Group is not exposed to foreign exchange risk as all of its income is derived from activities undertaken in the UK and all of its trade and other suppliers invoice in sterling. The Group does occasionally invoice in euro's where the provision of service takes place in Europe. As a result its supplier will similarly invoice in euro's thereby providing a natural hedge.

Interest rate risk.

The Group's exposure to interest rate risk is not material taking into account the size of its borrowings.

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Financial key performance indicators

Total Turnover for the year was £18.6m compared to £16.05m in 2019. The introduction of our Residence brand has helped to achieve this increase.

The Directors consider a number of key performance indicators for the Group on a monthly basis in order to assess overall performance. Whilst the results for the year (including the loss) and financial position are outlined on pages 7 to 9, the directors consider the most significant KPI's to be as stated below:

Accommodation revenue £15.8m (2019: £13.4m) – 18% increase.

Revenue from the provision of academic services £2.78m (2019: £2.65m) – 5% increase.

Total revenue £18.6m (2019: £16.05m) – 15.9% increase.

Gross Profit £5.07m (2019: £4.64m) – 9.25% increase.

Operating (Loss) / Profit £(31)k (2019: £228k) – £259k decrease.

Cash at Bank £121k (2019: £52k) – £69k decrease.

This report was approved by the board on 30 March 2021 and signed on its behalf.

Peter Lowy

Peter Michael Lowy
Director

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 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 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £88,257 (2019 - profit £148,873).

Directors

The directors who served during the year were:

Simon Donald Perkins
Rakesh Bhalla
Peter Michael Lowy
Stephen Julius Lowy
Leslie Jeffrey Zweigman

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'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's auditors are aware of that information.

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Auditors

The auditors, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30 March 2021 and signed on its behalf.

Peter Lowy

Peter Michael Lowy
Director

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

Opinion

We have audited the financial statements of ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED (the 'Company') for the year ended 31 March 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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 Company's affairs as at 31 March 2020 and of its loss 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 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.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that the company has been significantly affected by the covid-19 pandemic. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, 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.

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.

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED (CONTINUED)

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

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 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 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 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.

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANGLO AMERICAN EDUCATIONAL
SERVICES LIMITED (CONTINUED)

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.

Andrew Ball

Andrew Ball (Senior Statutory Auditor)

for and on behalf of
Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

30 March 2021

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Turnover	4	18,619,813	16,049,980
Cost of sales		(13,552,698)	(11,414,420)
Gross profit		5,067,115	4,635,560
Administrative expenses		(5,098,254)	(4,407,512)
Operating (loss)/profit	5	(31,139)	228,048
Interest payable and expenses	7	(28,176)	(14,898)
(Loss)/profit before tax		(59,315)	213,150
Tax on (loss)/profit	8	(28,942)	(64,277)
(Loss)/profit for the financial year		(88,257)	148,873
Total comprehensive income for the year		(88,257)	148,873

The notes on pages 11 to 23 form part of these financial statements.

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED
REGISTERED NUMBER: 01302471

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	9	1,420,581	916,956
		<u>1,420,581</u>	<u>916,956</u>
Current assets			
Debtors Within One Year	10	11,753,495	9,168,535
Cash at bank and in hand	11	121,021	52,240
		<u>11,874,516</u>	<u>9,220,775</u>
Creditors: Amounts Falling Due Within One Year	12	(9,799,805)	(6,773,205)
Net current assets		<u>2,074,711</u>	<u>2,447,570</u>
Total assets less current liabilities		<u>3,495,292</u>	<u>3,364,526</u>
Creditors: amounts falling due after more than one year	13	(337,394)	(112,500)
Provisions for liabilities			
Deferred tax		(91,364)	(97,235)
		<u>(91,364)</u>	<u>(97,235)</u>
Net assets		<u><u>3,066,534</u></u>	<u><u>3,154,791</u></u>
Capital and reserves			
Called up share capital	16	1,000	1,000
Profit and loss account		3,065,534	3,153,791
		<u><u>3,066,534</u></u>	<u><u>3,154,791</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 March 2021.

Peter Lowy

Peter Michael Lowy
Director

The notes on pages 11 to 23 form part of these financial statements.

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2018	1,000	3,004,918	3,005,918
Profit for the year	-	148,873	148,873
At 1 April 2019	1,000	3,153,791	3,154,791
Loss for the year	-	(88,257)	(88,257)
At 31 March 2020	1,000	3,065,534	3,066,534

The notes on pages 11 to 23 form part of these financial statements.

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

Anglo American Educational Services Limited is a private company (limited by shares), which is incorporated and domiciled in England and Wales (registration number: 01302471).

The principal activity of the company is that of the supply of student accommodation and educational services.

The registered office is 5 Richbell Place, London, WC1N 3LA.

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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Lowy Anglo Limited as at 31 March 2020 and these financial statements may be obtained from 5 Richbell Place, London, WC1N 3LA..

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.3 Going concern

The Company has prepared these financial statements on a going concern basis. The Directors are confident that the Company has sufficient liquidity and the ability to access resources to continue as a going concern for at least 12 months from the date of signing these financial statements.

The Directors continue to assess the Company's trading forecasts and the risks to each of its businesses as we follow the road map out of Covid-19. The Directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that the Company will have sufficient funds to meet its liabilities as they fall due. These forecasts are dependent upon the CBILS loan from its bankers, which is approved in principle but yet to be drawn, and the support of the majority of its landlords in reaching agreement to restructure the rent obligations.

Since the start of the pandemic the Company has undertaken several initiatives to preserve cash including furloughing of a significant proportion of its workforce, pay reductions across the board, accessing the various grants and surrendering several leases back to the landlords.

Under the current evolving circumstances whilst we exit lockdown and travel restrictions are lifted, including the uncertain level of demand from international students for UK based academic services and accommodation, the Directors recognise that forecasting and the extent of any funding requirement is inherently uncertain.

The directors believe that the Company is a going concern based on these forecasts however the timing and amount of cash inflows and outflows remains an estimation due to the uncertainty of future trading conditions and the outcome of negotiations with landlords, which remain to be formalised. The Company is also in negotiations with its bank surrounding the receipt of a CBILS loan however the timing and conditions surrounding this receipt is still to be agreed.

Whilst these circumstances are indicative that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern, as at the date of approval of these financial statements the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing these financial statements.

2.4 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.

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT which settled through the Tour Operators Margin Scheme (TOMS). The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue represents amounts receivable for the supply of student accommodation and educational services. Revenue is recognised on occupation of the properties and when services are provided.

2.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2.7 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.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 reporting 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.

Depreciation 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:

Leasehold improvements	- over the life of the lease
Motor vehicles	- 25% reducing balance method
Fixtures and fittings	- 12.5% reducing balance method

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.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

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

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be reliant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Directors consider the impairment of fixed assets to be a critical accounting estimate and source of uncertainty. The Covid-19 pandemic is an indicator of impairment and therefore an impairment review has been performed to ensure sites are being held at the most appropriate amount. This impairment review did not highlight any need for any impairment of fixed assets. The Directors also believe depreciation to be an area of judgement and uncertainty. This has been calculated using the depreciation policies noted in note 2.11.

The Directors have also assessed the listing of aged accruals to ensure these are included at their true value and the Company still has a commitment to settle these. The Directors have reason to believe that these amounts remain payable by the Company and therefore these remain on the balance sheet as at 31 March 2020.

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Accommodation and educational services	18,619,813	16,049,980
	<u>18,619,813</u>	<u>16,049,980</u>
	<u>18,619,813</u>	<u>16,049,980</u>
	2020 £	2019 £
United Kingdom	18,619,813	16,049,980
	<u>18,619,813</u>	<u>16,049,980</u>
	<u>18,619,813</u>	<u>16,049,980</u>

All turnover arose within the United Kingdom.

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2020 £	2019 £
Auditors remuneration	8,000	9,900
Exchange differences	2,064	(13)
Operating lease rentals	9,055,789	8,151,207
	<u>9,055,789</u>	<u>8,151,207</u>
	<u>9,055,789</u>	<u>8,151,207</u>

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

6. Employees

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

	2020 £	2019 £
Staff salaries and PHI	2,443,865	2,717,188
Social security costs	173,240	175,710
Cost of defined contribution scheme	68,734	43,408
	<u>2,685,839</u>	<u>2,936,306</u>

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

	2020 No.	2019 No.
Employees	<u>129</u>	<u>130</u>

7. Interest payable and similar expenses

	2020 £	2019 £
Other loan interest payable	1,480	-
Finance leases and hire purchase contracts	21,861	13,352
Bank interest payable	4,835	1,546
	<u>28,176</u>	<u>14,898</u>

8. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	28,942	64,277
	<u>28,942</u>	<u>64,277</u>
Total current tax	<u>28,942</u>	<u>64,277</u>
Taxation on profit on ordinary activities	<u>28,942</u>	<u>64,277</u>

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as *(2019 - the same as)* the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	<u>(59,315)</u>	<u>213,150</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(11,270)	40,498
Effects of:		
Expenses not deductible for tax purposes	37,908	8,918
Group relief	(8,075)	(885)
Deferred tax	10,379	15,746
Total tax charge for the year	<u><u>28,942</u></u>	<u><u>64,277</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. Tangible fixed assets

	Leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2019	457,341	91,234	1,157,201	1,705,776
Additions	448,795	2,124	278,911	729,830
At 31 March 2020	<u>906,136</u>	<u>93,358</u>	<u>1,436,112</u>	<u>2,435,606</u>
Depreciation				
At 1 April 2019	96,583	82,429	609,808	788,820
Charge for the year on owned assets	180,026	3,739	42,440	226,205
At 31 March 2020	<u>276,609</u>	<u>86,168</u>	<u>652,248</u>	<u>1,015,025</u>
Net book value				
At 31 March 2020	<u>629,527</u>	<u>7,190</u>	<u>783,864</u>	<u>1,420,581</u>
At 31 March 2019	<u>360,758</u>	<u>8,805</u>	<u>547,393</u>	<u>916,956</u>

10. Debtors

	2020 £	2019 £
Trade debtors	521,718	1,380,006
Amounts owed by group undertakings	6,484,117	6,484,117
Other debtors	3,991,372	659,308
Prepayments and accrued income	756,288	609,685
Tax recoverable	-	35,419
	<u>11,753,495</u>	<u>9,168,535</u>

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	121,021	52,240
Less: bank overdrafts	(20)	-
	<u>121,001</u>	<u>52,240</u>

12. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	20	-
Bank loans	62,259	30,000
Trade creditors	786,629	595,092
Corporation tax	34,813	-
Other taxation and social security	250,590	75,062
Obligations under finance lease and hire purchase contracts	107,453	-
Other creditors	4,627,302	1,025,749
Accruals and deferred income	3,930,739	5,047,302
	<u>9,799,805</u>	<u>6,773,205</u>

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

	2020 £	2019 £
Bank loans	117,529	112,500
Net obligations under finance leases and hire purchase contracts	219,865	-
	<u>337,394</u>	<u>112,500</u>

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

14. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	62,259	30,000
	<u>62,259</u>	<u>30,000</u>
Amounts falling due 1-2 years		
Bank loans	117,529	112,500
	<u>117,529</u>	<u>112,500</u>
	<u>179,788</u>	<u>142,500</u>

15. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	107,453	-
Between 1-5 years	219,865	-
	<u>327,318</u>	<u>-</u>

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

16. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1,000 (2019 - 1,000) Ordinary shares of £1.00 each	1,000	1,000

17. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £68,734 (2019: £43,408). Contributions totalling £9,547 (2019: £5,819) were payable to the fund at the reporting date and are included in creditors.

18. Commitments under operating leases

At 31 March 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	6,309,092	8,010,503
Later than 1 year and not later than 5 years	20,127,436	21,929,475
Later than 5 years	-	3,175,440
	26,436,528	33,115,418

19. Other financial commitments

As at the year end, the company has provided unlimited intercompany guarantee to Lowy Group Limited, Living Rooms Limited and The Pavilion Hotel Limited.

ANGLO AMERICAN EDUCATIONAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

20. Related party transactions

During the year the company was charged £450,000 (2019: £450,000) by Lowy Group Limited, a company under common control, in respect of management services provided. As at the year end an amount of £2,814,487 (2019: £678,722) was due to Lowy Group Limited.

There are no interest or repayment terms attached to any of the above balances.

The company recharged housekeeping costs and other services amounting to £267,805 (2019: £263,699) to Burns Hotel Limited, a company under common control. An amount of £705,021 (2019: £393,009) is due from the company.

The company recharged housekeeping costs and other services amounting to £nil (2019: £44,453) to Living Rooms Limited, a company under common control. An amount of £145,375 (2019: £44,516) is due from the company.

The company has taken advantage of the related party disclosure exemptions, as permitted by the FRS 102 "Related Party Disclosures" not to disclose transactions with other members of the group on the grounds that 100% of the voting rights are controlled within the group.

The company has given unlimited guarantees in favour of other group companies and connected companies of certain borrowings of these companies.

21. Controlling party

The ultimate parent company is Lowy Anglo Limited, incorporated in England and Wales in which these financial statements are consolidated. Copies of the consolidated financial statements of Lowy Anglo Limited are available from its registered office; 5 Richbell Place, London, WC1N 3LA. The ultimate controlling party is P Lowy.