Company Registration No. 01322002 (England and Wales)

OISE LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

FRIDAY
AAJK7ANL
A20 17/12/2021 #199
COMPANIES HOUSE

OISE LIMITED

COMPANY INFORMATION

Director	Till Gins
Secretary	Diamond College Limited
Company number	01322002
Registered office	14 Friars Entry Oxford OX1 2BZ
Auditor	RSM UK Audit LLP Chartered Accountants Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY
Bankers	HSBC Bank Plc Apex Plaza Reading Berkshire RG1 1AX

OISE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The director presents the strategic report for the year ended 31 December 2020.

Business review and future developments
An overview of the OISE group business activity in the period, including future developments, can be seen in the strategic report included in the consolidated financial statements of the company's immediate and ultimate parent, OISE Holdings Limited.

During 2020, the COVID-19 virus spread worldwide. In common with other countries, the government issued guidance and restrictions on the movement of people designed to slow the spread of the virus. This had a negative impact on turnover during the year, as the company was unable to host many of its planned language courses in the last nine months of 2020. The pandemic did not end in 2020 and continued on into 2021, making trading conditions very challenging, particularly in the summer, traditionally our busiest time of year. The imposition of travel restrictions not only has an impact on delivering services, but has also impacted the ability of OISE to generate future sales.

Key performance indicators
The directors of OISE Holdings Limited manage the group's operations on a divisional basis. For this reason, the company's director believes that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance and position of the business of OISE Limited. The key performance indicators of OISE Holdings Limited are included in its strategic report.

Matters of strategic importance, financial risk management objectives and policies

Going concern
The director has, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Additionally, the parent company OISE Holdings Limited has confirmed that it will continue to support the company financially for a period not less than 12 months from the date of approval of these financial statements. Therefore, the director continues to adopt the going concern basis of accounting in preparing these financial statements.

The directors of the parent company OISE Holdings Limited have taken measures to mitigate the future impact of the pandemic on the operations of the group and on its financial position. They have implemented a programme of redundancies, vacated properties which they plan to put on the market for sale or lease (one of which was successfully leased in October 2021) and reduced all expenditure where reasonable. During 2021 the group received significant levels of grants (currently over £590K) from different jurisdictions which have helped bolster its cash position.

Whilst the risks associated with the pandemic cannot be completely mitigated and therefore some level of future uncertainty remains, the directors of the parent company OISE Holdings Limited have reviewed detailed forecasts and consider the group is able to continue meeting its liabilities as they fall due in the foreseeable future which is considered to be a period of twelve months from the date of approving these financial statements. In particular, the directors have considered the forecast level of cash held by the group and consider that a sufficient level of cash shall be held for the group to meet its liabilities even with a reduction in the expected level of future sales and cash collection.

Other matters
There are a number of risks and uncertainties that may affect the performance of the company and its subsidiaries:

- A major outbreak of an infectious disease such as coronavirus;
- The British Home Offices "hostile environment" which leads to a growing number of visa refusals;
- Better language education in the pupils' own country.

The company and its subsidiaries ensure that their exposure to a downturn in a particular trading sector is managed by continuing to broaden their activities by increasing the depth of the education they provide. The company's subsidiaries also have a wide range of customers, which limits exposure to any material loss of revenue from any one specific source.

Other matters (continued)
The financial risk management objectives of the company in relation to financial instruments are set by the board of its parent company OISE Holdings Limited with a view to minimising the group's exposure to price, credit, liquidity and cash flow risks. The use of derivative instruments is made to mitigate risks or enhance returns, subject to strict control of exposures.

Section 172 Statement
The company abides by its core values, the primary one being "integrity" which permeates through the decisions taken at any level in the company.

The matters set out in section 172(1) (a) to (f) are:

(a) the likely consequences of any decision in the long term: the Board is constantly aware of the need to foster a strong sense of direction throughout its schools. All its decisions follow a clear path to achieve clarity of purpose.

(b) the interests of the company's employees: the overriding aim is to keep the company robust financially so that it can protect the future of its employees.

(c) 1 - the need to foster the company's business relationships with suppliers: as a service provider, the business model draws on the commitment of many external stakeholders (the main ones being host families who provide our students with not only accommodation but also a sense of being part of the family), the Board therefore recognises how vital it is to keep the suppliers happy by paying invoices on time and treating them as valued partners.

(c) 2 - the need to foster the company's business relationships with customers: OISE's focus on integrity means none of its business practices ever deceive any of its customers. Modern day marketing methods of charging different customers different prices for the same service is totally alien to the ethos of the company. Similarly, customers are always refunded for courses (or part thereof) they have not been able to attend.

(d) the impact of the company's operations on the community and the environment: being in the service industry, the company cannot have the same impact on the environment as a factory; however one of the officers of the company was appointed to investigate all the changes that can be introduced to reduce the carbon footprint of the schools. Efforts have been made over the years to introduce PIR lighting as well as other measures to reduce the use of electricity. Efforts are made to recycle paper and to use free-cycle to dispose of unwanted items of furniture.

(e) the desirability of the company maintaining a reputation for high standards of business conduct: this is embodied in the core values of the company especially with regards to "integrity".

(f) the need to act fairly between members of the company: the challenge the company has faced in 2020 gives a clear indication of the extent to which managers have gone to support employees.

On behalf of the board

.....
Till Gins
Director

Date: 15th dec 2021

OISE LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The director presents his annual report and financial statements for the year ended 31 December 2020.

Principal activities
The principal activity of the company is the management of the OISE group.

Results and dividends
The results for the year are set out on page 8. No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Director
The director who held office during the year and up to the date of signature of the financial statements was as follows:

Till Gins

Director's insurance
During the year, the group in which the company is a member maintained professional indemnity insurance in respect of its director, officers and senior management.

Auditor
RSM UK Audit LLP has indicated its willingness to continue in office and its reappointment will be proposed in accordance with section 485 of the Companies Act 2006.

Matters included in the strategic report
As permitted by the Companies Act 2006, s. 414C(11) the company has chosen to set out in its strategic report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and financial risk management objectives and policies.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that he ought to have taken as a director in order to make himself aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

.....

Till Gins
Director

Date: 16th Dec 2021

OISE LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

The director is responsible for preparing the Strategic Report and the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OISE LIMITED

Opinion

We have audited the financial statements of OISE Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's 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 director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement set out on page 4, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 auditor's 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The audit engagement team identified the risk of management override of controls and valuation of investments as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and reviewing and challenging management's judgements and estimates applied in the valuation of the investments at the year end.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to him 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 member for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Kevin Barwick (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire, SO53 3TY
15 December 2021

OISE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	354,000	2,264,900
Administrative expenses		(1,854,719)	(2,084,866)
Other operating income	6	102,307	-
Operating (loss)/profit	6	(1,398,412)	180,034
Interest payable and similar expenses	8	(1,925)	(55)
Amounts written off investments		(4,477,673)	(700,000)
Loss before taxation		(5,878,010)	(520,021)
Tax on loss	9	230,970	2,508
Loss for the financial year		(5,647,040)	(517,513)

The income statement has been prepared on the basis that all operations are continuing operations.

Company Registration No. 01322002

OISE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	**10**		258,612		169,813
Investment properties	**11**		3,120,000		3,120,000
Investments	**12**		1,283,885		5,761,558
			4,662,497		9,051,371
Current assets					
Debtors	**13**	8,532,788		10,588,539	
Cash at bank and in hand		50,901		293,165	
		8,583,689		10,881,704	
Creditors: amounts falling due within one year	**14**	(10,655,794)		(11,548,616)	
Net current liabilities			(2,072,105)		(666,912)
Total assets less current liabilities			2,590,392		8,384,459
Provisions for liabilities	**15**		(58,729)		(205,756)
Net assets			2,531,663		8,178,703
Capital and reserves					
Called up share capital	**17**		950,000		950,000
Fair value reserve	**18**		744,962		744,962
Profit and loss reserves	**18**		836,701		6,483,741
Total equity			2,531,663		8,178,703

The financial statements were approved and signed by the director and authorised for issue on ....15th Dec 2021

.....

Till Gins
Director

OISE LIMITED

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

	Share capital	Fair value reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2019	950,000	744,962	7,001,254	8,696,216
Year ended 31 December 2019:				
Loss and total comprehensive income for the year	-	-	(517,513)	(517,513)
Balance at 31 December 2019	950,000	744,962	6,483,741	8,178,703
Year ended 31 December 2020:				
Loss and total comprehensive income for the year	-	-	(5,647,040)	(5,647,040)
Balance at 31 December 2020	950,000	744,962	836,701	2,531,663

1 Accounting policies

Company information
OISE Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 14 Friars Entry, Oxford, OX1 2BZ.

The company's principal activities and nature of its operations are disclosed in the Director's Report.

Accounting convention
The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

Going concern
The director has, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Additionally, the parent company OISE Holdings Limited has confirmed that it will continue to support the company financially for a period not less than 12 months from the date of approval of these financial statements. Therefore, the director continues to adopt the going concern basis of accounting in preparing these financial statements.

The directors of the parent company OISE Holdings Limited have taken measures to mitigate the future impact of the pandemic on the operations of the group and on its financial position. They have implemented a programme of redundancies, vacated properties which they plan to put on the market for sale or lease (one of which was successfully leased in October 2021) and reduced all expenditure where reasonable. During 2021 the group received significant levels of grants (currently over £590K) from different jurisdictions which have helped bolster its cash position.

Whilst the risks associated with the pandemic cannot be completely mitigated and therefore some level of future uncertainty remains, the directors of the parent company OISE Holdings Limited have reviewed detailed forecasts and consider the group is able to continue meeting its liabilities as they fall due in the foreseeable future which is considered to be a period of twelve months from the date of approving these financial statements. In particular, the directors have considered the forecast level of cash held by the group and consider that a sufficient level of cash shall be held for the group to meet its liabilities even with a reduction in the expected level of future sales and cash collection.

Reduced disclosures
This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

1 **Accounting policies (Continued)**

Group accounts
The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The financial statements of the company are consolidated in the financial statements of OISE Holdings Limited. These consolidated financial statements are available from its registered office, 14 Friars Entry, Oxford, OX1 2BZ.

Turnover
Turnover represents rental income from subsidiary companies and income in respect of management charges made by the company to subsidiary companies to cover group running and management costs, and is stated net of Value Added Tax. Income is recognised on an accruals basis reflecting the month in which the property was occupied or the services were provided.

Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% straight line
Fixtures and equipment	10%-25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Investment properties
Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Fixed asset investments
Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets
At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 **Accounting policies (Continued)**

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and amounts due to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity 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. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income or equity.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are not taxable or deductible, or that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

1 **Accounting policies (Continued)**

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits
The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of comprehensive income.

Leases
Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leased asset are consumed.

Government grants
Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 **Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 estimate is 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 key judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Useful economic lives of tangible assets
The annual depreciation charge is sensitive to any changes in the estimated useful life and residual values of tangible assets. The useful economic lives and residual value is assessed on an annual basis and are amended only when evidence shows a change in the estimated economic lives or residual life. Criteria used to assess the economic life and residual value includes technological advancement, economic utilisation, physical condition of the asset and future investments. The carrying value of tangible fixed assets including depreciation charged in the year is disclosed in note 10.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020	2019
	£	£
Turnover analysed by class of business		
Rents received	-	187,200
Management charge income	354,000	2,077,700
	354,000	2,264,900

	2020	2019
	£	£
Turnover analysed by geographical market		
United Kingdom	354,000	2,264,900

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Administrative	20	25

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	648,256	818,776
Social security costs	82,927	97,479
Pension costs	38,662	46,516
	769,845	962,771

5 Director's remuneration

	2020	2019
	£	£
Remuneration for qualifying services	53,318	59,600

No company contributions were made during the current or previous financial year in respect of any money purchase pension arrangements for the benefit of the director.

6 Operating (loss)/profit

Operating (loss)/profit for the year is stated after charging/(crediting):	2020 £	2019 £
Government grants	(102,307)	-
Depreciation of owned tangible fixed assets	39,142	29,386
Operating lease charges	19,920	86,400

Government grants reflect Coronavirus Job Retention Scheme ('CJRS) grants received towards the employment costs of staff placed on furlough during the outbreak of COVID-19.

7 Auditor's remuneration

Fees payable to the company's auditor and its associates:	2020 £	2019 £
For audit services		
Audit of the financial statements of the company	29,200	47,400
For other services		
Taxation compliance services	7,250	14,400
All other non-audit services	3,950	5,400
	11,200	19,800

Fees payable to the company's auditors for the audit of the company's financial statements reflect audit fees for the company, its parent company and its fellow subsidiaries in the United Kingdom.

8 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank overdrafts and loans	1,925	55

9 Taxation

	2020	2019
	£	£
Current tax		
Adjustments in respect of prior periods	(83,943)	-
Deferred tax		
Origination and reversal of timing differences	(147,027)	(2,508)
Total tax credit	(230,970)	(2,508)

The credit for the year can be reconciled to the loss per the income statement as follows:

	2020	2019
	£	£
Loss before taxation	(5,878,010)	(520,021)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(1,116,822)	(98,804)
Tax effect of expenses that are not deductible in determining taxable profit	850,772	137,005
Losses carried back	83,356	-
Adjustments in respect of prior years	(83,943)	-
Group relief	-	(41,003)
Fixed asset differences	2,126	-
Remeasurement of deferred tax for changes in tax rates	33,541	294
Taxation credit for the year	(230,970)	(2,508)

10 Tangible fixed assets

	Leasehold improvements	Fixtures and equipment	Total
	£	£	£
Cost			
At 1 January 2020	120,000	198,882	318,882
Additions	123,244	4,697	127,941
At 31 December 2020	243,244	203,579	446,823
Depreciation and impairment			
At 1 January 2020	-	149,069	149,069
Depreciation charged in the year	24,324	14,818	39,142
At 31 December 2020	24,324	163,887	188,211
Carrying amount			
At 31 December 2020	218,920	39,692	258,612
At 31 December 2019	120,000	49,813	169,813

The company's investment properties and related fixtures and equipment are let to other group companies under operating leases for which rental income is received as disclosed in note 3.

11 Investment property

	2020
	£
Fair value	
At 1 January 2020 and 31 December 2020	3,120,000

The fair value of the investment property reflects the director's valuation, on an open market value basis, taking into account market evidence of transaction prices for similar properties.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2020	2019
	£	£
Cost	3,117,817	3,117,817
Accumulated depreciation	(999,758)	(999,758)
Carrying amount	2,118,059	2,118,059

12 Fixed asset investments

	2020	2019
	£	£
Investments in subsidiaries	1,283,885	5,761,558

At the year end the company held 20% or more of the issued share capital of the following trading companies:

Company	Country of registration or incorporation	Holding
Held directly:		
Instill Education Limited 38 Binsey Lane, Oxford, OX2 0EY	United Kingdom	100.00%
L'Europeene de Sejours Linguistique SA Avenue de beauregard 1, C/O BfB Fiduciaire SA, 1700 Fribourg	Switzerland	100.00%
Held indirectly:		
Swissoise SA Avenue de Frontenex 6, Geneve	Switzerland	100.00%
OISE Etude Linguistiques SAS 95, Rue Seine, 75006 Paris	France	100.00%
OISE Formation SARL 71bis, Avenue de Vaugirard, 75006 Paris	France	99.80%
OISE Sprachtraining (Deutschland) GmbH Poststrasse 48, 69115 Heidelberg	Germany	100.00%
OISE Italy SRL Via Molino delle Armi 25, 20123 Milan	Italy	100.00%
Intensywna Nauka Jezyków Za Granica sp.z o.o. Ul. W. Hermana 7/32, 02-496 Warszawa	Poland	100.00%
OISE Australia Pty Limited 6 Lilly Pilly Way, Kiama NSW 2533	Australia	100.00%
OISE Boston Inc 31, St James Avenue, Boston, MA 02116	USA	100.00%
ACE Consultores de Idiomas SA Calle Zurbano no. 45, 1a, 28010 Madrid	Spain	100.00%
Canadoise Inc Bureau 1610, 999 Blvd de Maisonneuve Ouest, Montréal, H3A3L4	Canada	100.00%
OISE-USA Inc Corporation Trust Center, 1209 Orange St, City of Wilmington, New Castle, Delaware	USA	100.00%
Converse International School of Languages San Francisco LLC 605 Market Street, Suite 1400, San Francisco, CA 94105	USA	58.88%
OISE - Agência de Intercâmbio e Educação Intercaciona Av. Cândido de Abreu, 776 - conj. 2202 sala 1, Centro Cívico, Curitiba - Paraná CEP 80530-000	Brazil	100.00%

12 Fixed asset investments (Continued)

The principal activity of all these companies is language tuition with the exception of OISE-USA Inc which is a holding company. The financial positions and results of the above subsidiaries are included in the consolidated financial statements of the parent company, OISE Holdings Limited.

In addition, at the year end the company held 20% or more of the issued share capital of the following dormant companies:

Company	Country of registration or incorporation	Holding
Held directly:		
Quaives Securities Limited	United Kingdom	100.00%
Regent Education Group Limited	United Kingdom	100.00%
S.E.S. Tutors Limited	United Kingdom	100.00%
Central School of English Limited	United Kingdom	100.00%
Basil Paterson Limited	United Kingdom	100.00%
Actorial Limited	United Kingdom	100.00%
Dugdales Limited	United Kingdom	100.00%
The Language School Company Limited	United Kingdom	100.00%
OISE Education Limited	United Kingdom	100.00%
Diamond College Limited	United Kingdom	100.00%
OISE @ Sherbourne Priors Limited	United Kingdom	100.00%
Eckersley Oxford Limited	United Kingdom	100.00%
The Education and Training Company Limited (by guarantee)	United Kingdom	100.00%
Held indirectly:		
Pilgrims Limited	United Kingdom	100.00%
Fitzroy College Limited	United Kingdom	100.00%
Instill Limited	United Kingdom	100.00%
Regent Language Training LImited	United Kingdom	100.00%
Irlandoise Limited	Ireland	100.00%
The Edinburgh School of English Limited	United Kingdom	100.00%
The Gins Language Centre Inc	Canada	100.00%

The registered offices of all these companies is 14 Friars Entry, Oxford, OX1 2BZ with the exception of Basil Paterson Limited and Dugdales Limited which are at 66/67 Queen Street, Edinburgh, EH2 1JX, Irlandoise Limited which is at 2 Park Place, City Park Gate, Mahon Point, Cork, The Edinburgh School of English Limited which is at 271 Canongate, The Royal Mile, Edinburgh, EH8 8BQ and The Gins Language Centre Inc which is at Bureau 1610, 999 Blvd de Maisonneuve Ouest, Montréal, H3A3L4.

12 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares £
Cost or valuation	
At 1 January 2020 & 31 December 2020	7,525,268
Impairment	
At 1 January 2020	1,763,710
Impairment losses	4,477,673
At 31 December 2020	6,241,383
Carrying amount	
At 31 December 2020	1,283,885
At 31 December 2019	5,761,558

13 Debtors

Amounts falling due within one year:	2020 £	2019 £
Corporation tax recoverable	126,874	42,931
Amounts owed by group undertakings	8,384,445	10,095,827
Other debtors	1,570	305,632
Prepayments and accrued income	19,899	144,149
	8,532,788	10,588,539

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	50,387	160,000
Amounts owed to group undertakings	10,443,518	11,150,089
Taxation and social security	42,753	88,215
Other creditors	35,055	86,296
Accruals and deferred income	84,081	64,016
	10,655,794	11,548,616

15 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Balances:	Liabilities 2020 £	Liabilities 2019 £
Fixed asset timing differences	67,853	43,938
Losses and other deductions	(189,812)	-
Assets held at fair value	176,928	158,305
Short term timing differences	3,760	3,513
	58,729	205,756

Movements in the year:	2020 £
Liability at 1 January 2020	205,756
Credit to profit or loss	(147,027)
Liability at 31 December 2020	58,729

It is not possible to estimate reliably the extent to which the deferred tax liabilities shown above will reverse within the next 12 months.

16 Retirement benefit schemes

Defined contribution schemes	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	38,662	46,516

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions of £7,533 (2019 - £13,477) were outstanding at the year end and are included in other creditors. The contributions were paid after the year end in accordance with the agreed timetable.

17 Share capital

Ordinary share capital	2020 Number	2019 Number	2020 £	2019 £
Issued and fully paid				
Ordinary shares of 5p each	19,000,000	19,000,000	950,000	950,000

The company's ordinary shares, which carry no right to fixed income, carry the right to one vote at general meetings of the company.

18 Reserves

Fair value reserve
The fair value reserve reflects cumulative gains and losses in respect of investment properties and certain financial instruments held at fair value.

Profit and loss reserves
Profit and loss reserves reflect cumulative profits and losses net of distributions to owners.

19 Financial commitments, guarantees and contingent liabilities

In the normal course of business, the company has provided an unlimited guarantee as valuable security in connection with the banking facilities of the ultimate parent undertaking OISE Holdings Limited and other group companies. At 31 December 2020 the amount outstanding was £2,000,000 (2019 - £nil), relating to amounts drawn down under the Coronavirus Business Interruption Loan Scheme ('CBILS').

The company had no other contingent liabilities at 31 December 2020.

20 Operating lease commitments

Lessee
Operating lease payments reflect rentals payable by the company for the leasehold land and buildings from which it undertakes its principal activity.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	-	43,200

21 Related party transactions

During the year, the company maintained a loan account with Till Gins, a director of OISE Limited, who settled various expenses on behalf of the company. At the year end, the company owed Till Gins £26,914 (2019 - £72,819).

During the year, the company paid rent of £19,920 (2019 - £86,400) to Till Gins and James Hay Pension Trustees Limited (company number 01435887) who are the trustees of the pension fund of Till Gins, a director of OISE Limited. No amounts were outstanding at the end of the current or previous year.

During the year, the company paid emoluments of £79,356 (2019 - £87,394) to, and paid pension contributions of £23,438 (2019 - £21,675) on behalf of, directors of OISE Holdings Limited. No amounts were outstanding at the end of the current or previous year.

22 Ultimate parent company and controlling party

The immediate and ultimate parent company is OISE Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales. OISE Holdings Limited heads the largest and smallest group for which consolidated financial statements are drawn up. The consolidated financial statements of OISE Holdings Limited are available from its registered office, 14 Friars Entry, Oxford, OX1 2BZ. The ultimate controlling party is Till Gins who owns 70% of the issued share capital of OISE Holdings Limited.