

Company Registration No. 02595499 (England and Wales)

WIMBLEDON SCHOOL OF ENGLISH LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
PAGES FOR FILING WITH REGISTRAR

WIMBLEDON SCHOOL OF ENGLISH LIMITED

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WIMBLEDON SCHOOL OF ENGLISH LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	3		82,358		27,429
Tangible assets	4		1,795,776		1,738,191
			<u>1,878,134</u>		<u>1,765,620</u>
Current assets					
Stocks		20,000		25,000	
Debtors	6	558,725		1,186,736	
Investments	7	611,038		665,420	
Cash at bank and in hand		2,209,629		3,078,917	
		<u>3,399,392</u>		<u>4,956,073</u>	
Creditors: amounts falling due within one year	8	(985,503)		(2,180,555)	
Net current assets			<u>2,413,889</u>		<u>2,775,518</u>
Total assets less current liabilities			<u>4,292,023</u>		<u>4,541,138</u>
Creditors: amounts falling due after more than one year	9		(284,658)		(284,573)
Provisions for liabilities			<u>(64,270)</u>		<u>(50,637)</u>
Net assets			<u><u>3,943,095</u></u>		<u><u>4,205,928</u></u>
Capital and reserves					
Called up share capital			700,000		700,000
Capital redemption reserve			55,000		55,000
Profit and loss reserves			<u>3,188,095</u>		<u>3,450,928</u>
Total equity			<u><u>3,943,095</u></u>		<u><u>4,205,928</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

WIMBLEDON SCHOOL OF ENGLISH LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2020

		2020		2019	
	Notes	£	£	£	£

The financial statements were approved by the board of directors and authorised for issue on 11 January 2021 and are signed on its behalf by:

S A Saviolo
Director

Company Registration No. 02595499

WIMBLEDON SCHOOL OF ENGLISH LIMITED

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

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 1 April 2018	700,000	-	3,531,722	4,231,722
Year ended 31 March 2019:				
Profit and total comprehensive income for the year	-	-	47,581	47,581
Dividends	-	-	(18,375)	(18,375)
Redemption of shares	(55,000)	55,000	(55,000)	(55,000)
Issue of share capital	55,000	-	(55,000)	-
Balance at 31 March 2019	700,000	55,000	3,450,928	4,205,928
Year ended 31 March 2020:				
Loss and total comprehensive income for the year	-	-	(262,833)	(262,833)
Balance at 31 March 2020	700,000	55,000	3,188,095	3,943,095

WIMBLEDON SCHOOL OF ENGLISH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Wimbledon School of English Limited is a private company limited by shares incorporated in England and Wales. The registered office is 41 Worple Road, Wimbledon, London, SW19 4JZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents net invoiced tuition fees and related goods & services adjusted for amounts invoiced in advance. Teaching of English as a foreign language, together with its closely related goods and services, are exempt from VAT.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is twenty years.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Website	5 years straight line
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1.5 Tangible fixed assets

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

WIMBLEDON SCHOOL OF ENGLISH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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

Freehold land and buildings	1% straight line on buildings, 15% straight line on incorporated fixtures
Leasehold improvements	20% reducing balance basis
Plant and equipment	20% reducing balance basis
Fixtures and fittings	20% reducing balance basis
Computers	33% straight line basis

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.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 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 of its financial instruments.

Financial instruments are recognised in the company's statement of financial position 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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 company after deducting all of its liabilities.

WIMBLEDON SCHOOL OF ENGLISH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

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

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

WIMBLEDON SCHOOL OF ENGLISH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.12 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.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 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 leases asset are consumed.

1.15 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.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

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

	2020 Number	2019 Number
Total	64	63
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WIMBLEDON SCHOOL OF ENGLISH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

3 Intangible fixed assets

	Goodwill £	Website £	Total £
Cost			
At 1 April 2019	763,271	-	763,271
Additions	-	102,948	102,948
At 31 March 2020	763,271	102,948	866,219
Amortisation and impairment			
At 1 April 2019	735,842	-	735,842
Amortisation charged for the year	27,429	20,590	48,019
At 31 March 2020	763,271	20,590	783,861
Carrying amount			
At 31 March 2020	-	82,358	82,358
At 31 March 2019	27,429	-	27,429

4 Tangible fixed assets

	Freehold land and buildings £	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost						
At 1 April 2019	1,672,886	241,782	31,115	544,971	362,858	2,853,612
Additions	38,346	3,390	-	22,435	121,859	186,030
Disposals	-	-	-	-	(50,000)	(50,000)
At 31 March 2020	1,711,232	245,172	31,115	567,406	434,717	2,989,642
Depreciation and impairment						
At 1 April 2019	232,558	62,811	31,115	451,512	337,425	1,115,421
Depreciation charged in the year	21,316	12,873	-	17,880	76,376	128,445
Eliminated in respect of disposals	-	-	-	-	(50,000)	(50,000)
At 31 March 2020	253,874	75,684	31,115	469,392	363,801	1,193,866
Carrying amount						
At 31 March 2020	1,457,358	169,488	-	98,014	70,916	1,795,776
At 31 March 2019	1,440,328	178,971	-	93,459	25,433	1,738,191

The carrying value of land and buildings includes freehold land of £600,000 (2019: £600,000) which is not depreciated.

Barclays bank PLC hold charges over 5 Kings Road and 34 Ethelbert Road, Wimbledon, London.

WIMBLEDON SCHOOL OF ENGLISH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Financial instruments

	2020	2019
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	611,038	665,420

6 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	448,723	1,087,295
Corporation tax recoverable	26,904	-
Other debtors	60,753	99,441
	536,380	1,186,736
Deferred tax asset	22,345	-
	558,725	1,186,736

7 Current asset investments

	2020	2019
	£	£
Other investments	611,038	665,420

Current asset investments are valued at market value.

8 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans	-	36,435
Trade creditors	40,946	61,059
Taxation and social security	34,991	149,113
Other creditors	909,566	1,933,948
	985,503	2,180,555

9 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other creditors	284,658	284,573

WIMBLEDON SCHOOL OF ENGLISH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

10 Operating lease commitments

Lessee

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

2020	2019
£	£
2,174,726	2,545,429

11 Events after the reporting date

Before the balance sheet date an outbreak of COVID-19 virus occurred causing a global pandemic, as recognised by the World Health Organisation.

Wimbledon School of English management took a review of its activities immediately so that the organisation could adapt and respond effectively to the challenges that emerged as a result of COVID-19. This included ensuring safeguarding of its students in London, making sure of their safe return and a review of the delivery of their programmes to find ways to adapt.

The need for the company to find different ways to provide their learning programmes has led to the development of online learning and exploring ways to provide a virtual cultural experience.

The company has taken advantage of the government furlough scheme to support employers and employees through the pandemic.

In order to reduce costs in the current year four staff members have been made redundant, remaining staff have had their pay cut by 10 to 30%, refunds and reduced costs have also been negotiated wherever possible.

The management made preparations for the safe reopening in early August for face to face learning, following government guidance for making spaces COVID safe: providing socially distanced learning, accommodation for self isolating on arrival and if required during the period of stay, as well as putting in place a thorough cleaning process to ensure the safety of students and staff.

This is a non adjusting event as the company is operating as a going concern.

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