

# Language Link London Limited

Annual Report and Unaudited Financial Statements  
for the Year Ended 31 March 2020

# Language Link London Limited

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# **Language Link London Limited**

## **Company Information**

**Director** Mrs Margaret Mary Curran

**Registered office** 181 Earls Court Road  
London  
SW5 9RD

**Accountants** Re:Accounts Limited  
Chartered Accountants  
12 Stanmore Road  
Stevenage  
Hertfordshire  
SG1 3QF

**Language Link London Limited**  
**(Registration number: 03300705)**  
**Balance Sheet as at 31 March 2020**

	Note	31 March 2020 £	31 March 2019 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	12,799	56,429
<b>Current assets</b>			
Debtors	<u>5</u>	127,571	1,379,624
Cash at bank and in hand		21	4,299
		127,592	1,383,923
<b>Creditors: Amounts falling due within one year</b>	<u>6</u>	(1,168,329)	(1,844,561)
<b>Net current liabilities</b>		(1,040,737)	(460,638)
<b>Total assets less current liabilities</b>		(1,027,938)	(404,209)
<b>Provisions for liabilities</b>		(4,698)	(4,698)
<b>Net liabilities</b>		<u>(1,032,636)</u>	<u>(408,907)</u>
<b>Capital and reserves</b>			
Called up share capital	<u>7</u>	100,000	100,000
Profit and loss account		(1,132,636)	(508,907)
Shareholders' deficit		<u>(1,032,636)</u>	<u>(408,907)</u>

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

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges her responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 31 March 2021

**Language Link London Limited**

**(Registration number: 03300705)**

**Balance Sheet as at 31 March 2020 (continued)**

.....  
Mrs Margaret Mary Curran  
Director

# **Language Link London Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020**

### **1 General information**

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

181 Earls Court Road

London

SW5 9RD

England

These financial statements were authorised for issue by the director on 31 March 2021.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### **Going concern**

The accounts have been prepared on the going concern basis despite the continued losses and the net liabilities observed on the balance sheet. This is because the director has agreed that she and her other companies will continue to support the company until it returns to profitability.

#### **COVID-19**

COVID-19 has meant that the students from other countries have been unable to attend the classes and thus the company's income has fallen. Until travel is allowed between countries, the company is providing online classes. However, these have not proved as popular as the face to face lessons. The director believes that when the face to face classes can recommence the turnover will return to previous levels.

# Language Link London Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020 (continued)

### 2 Accounting policies (continued)

#### Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of English tuition and related services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

#### Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

#### Tax

The tax expense for the period comprises tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

#### Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Computer equipment	10% reducing balance
Office equipment	10% reducing balance
Fixtures and fittings	10% reducing balance

## **Language Link London Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

##### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

##### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.



# **Language Link London Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020 (continued)**

### **2 Accounting policies (continued)**

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### **3 Staff numbers**

The average number of persons employed by the company (including the director) during the year, was 27 (2019 - 28 ).

# Language Link London Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020 (continued)

### 4 Tangible assets

	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>		
At 1 April 2019	88,934	88,934
Disposals	(68,920)	(68,920)
At 31 March 2020	20,014	20,014
<b>Depreciation</b>		
At 1 April 2019	32,506	32,506
Charge for the year	4,311	4,311
Eliminated on disposal	(29,602)	(29,602)
At 31 March 2020	7,215	7,215
<b>Carrying amount</b>		
At 31 March 2020	12,799	12,799
At 31 March 2019	56,429	56,429

### 5 Debtors

	Note	31 March 2020 £	31 March 2019 £
Trade debtors		126,725	117,202
Amounts owed by group undertakings and undertakings in which the company has a participating interest	9	-	469,762
Prepayments		846	-
Other debtors		-	792,660
		127,571	1,379,624

### 6 Creditors

Creditors: amounts falling due within one year

# Language Link London Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020 (continued)

### 6 Creditors (continued)

	Note	31 March 2020 £	31 March 2019 £
<b>Due within one year</b>			
Loans and borrowings	<u>8</u>	62,925	119,184
Trade creditors		107,222	155,207
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>9</u>	936,416	1,510,388
Accruals and deferred income		61,766	-
Other creditors		-	59,782
		<u>1,168,329</u>	<u>1,844,561</u>

### 7 Share capital

#### Allotted, called up and fully paid shares

	31 March 2020		31 March 2019	
	No.	£	No.	£
Ordinary of £1 each	100,000	100,000	100,000	100,000
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

# Language Link London Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020 (continued)

### 8 Loans and borrowings

	31 March 2020 £	31 March 2019 £
<b>Current loans and borrowings</b>		
Bank borrowings	-	46,050
Bank overdrafts	62,925	73,134
	<u>62,925</u>	<u>119,184</u>

### 9 Related party transactions

At the year end the company owed £936,416 (2019; £1,259,792) to Language-Link Limited, a company owned and controlled by the director and her husband. The loan is interest free with no fixed date for repayment and the director confirms that this loan will not be withdrawn unless the company has sufficient cash to do so. Language-Link Limited paid £100,000 to the company for management services. The fees were at market value for the work undertaken. At the year end no amounts were owed to or from any other group companies (2019; to £250,597 from £469,762.) At the year end the director's loan balance was fully cleared (2019; owed from the director £185,913.)

#### Directors' remuneration

The director's remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	<u>-</u>	<u>1,249</u>

Stevenage

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