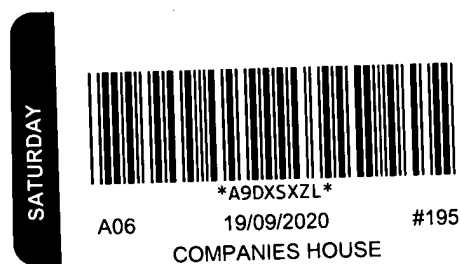


REGISTERED NUMBER: 04532510 (England and Wales)

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2019**

for

St. Piran's School (GB) Ltd



BBK Partnership
Chartered Accountants & Statutory Auditors
1 Beauchamp Court
10 Victors Way
Barnet
Hertfordshire
EN5 5TZ

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FOR THE YEAR ENDED 31 DECEMBER 2019**

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St. Piran's School (GB) Ltd
Company Information
FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTORS:

Mr G J Phillips
Mr Y Muniandy

SECRETARY:

Mr R Satheeskumar

REGISTERED OFFICE:

14 Trelassick Road
Hayle
Cornwall
TR27 5HY

REGISTERED NUMBER:

04532510 (England and Wales)

AUDITORS:

BBK Partnership
Chartered Accountants & Statutory Auditors
1 Beauchamp Court
10 Victors Way
Barnet
Hertfordshire
EN5 5TZ

**Strategic Report
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their strategic report for the year ended 31 December 2019.

BUSINESS MODEL

The Company is controlled by a former director together with their connected persons.

REVIEW OF BUSINESS

The profit for the year after taxation amounted to £2,729,374 (2018: £869,185)

The company retains a positive combined bank balance of £1,082,409 (2018:£206,561)

The directors are satisfied with the results in the year under review in an progressively competitive industry with tough trading conditions.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's principal financial instruments comprise cash, short term deposits and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to fund the company's operation as well as to manage working capital, liquidity and invest surplus funds.

The directors continue to assess the risks facing the company, Both the securing of new business and maintaining existing relationship are key to the company's success.

Other ongoing challenges are overhead cost control which is kept under regular review by the director.

MARKET

The company monitors the general economic and political changes in the education sector. The directors pay attention to these changes and tailor their services and agreement in order to maintain the level of income and profitability.

COMPETITIVE

The main competitive risks to the company arise from changing in government policies and general economic conditions.

The company continues to invest in providing qualitative service by working in partnership with universities and other associated colleges to provide better and efficient services.

LEGISLATIVE RISK

On a regular basis the directors review the company legislative risk exposure and ensure that all applicable directions are observed.

FINANCIAL INSTRUMENT RISK

The company has established a risk and financial management framework whose primary objectives are to protect the company from events that hinder the achievements of its performance objectives. The objectives aim to limit undue counterparty exposure, ensure efficient working capital exists and monitor the management of risk at a business unit level.

**Strategic Report
FOR THE YEAR ENDED 31 DECEMBER 2019**

KEY PERFORMANCE INDICATORS

The directors have considered the use of the key performance indicators. The continuous measurement and monitoring of the business performance is a critical element of the management process. In order to provide consistent and comprehensive information the Company use a number of key performance indicators (KPI's) to provide a timely and well-balanced review of the financial performance against predefined targets. These include the levels of turnover, gross and net profit margins and profitability ratios.

Other key KPIs that demonstrate the level of performance in different parts of the business include:

Average salary levels

Performance against budget and prior year.

The directors are satisfied with the KPI's delivered in the year and is confident that expected performance levels can be maintained for the foreseeable future.

ON BEHALF OF THE BOARD:



Mr Y Muniandy - Director

23 April 2020

**Report of the Directors
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of provision of educational services.

DIVIDENDS

The dividend paid during the period amounted to £3,722,222 (2018: £ nil).

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

Mr G J Phillips has held office during the whole of the period from 1 January 2019 to the date of this report.

Other changes in directors holding office are as follows:

Mr T M A Andradi - resigned 29 March 2019

Mr Y Muniandy - appointed 7 October 2019

FINANCIAL INSTRUMENTS

Treasury operations and financial instruments

The directors have established a risk and financial management framework whose primary objective is to protect the company from events that hinder the achievement of performance objective.

The objective aim to limit the undue counterparty exposure, ensure sufficient working capital and monitor risk at a business unit level.

The company principal financial instruments during the year comprised of a significant liquid cash holding at bank. The main purpose of these financial instruments is to provide funding for company's operations.

Liquidity risk

The company manages its cash requirements in order to maximise interest income and minimise expenses, whilst ensuring the company has sufficient liquid resources to meet the operation needs of the business.

Interest rate risk

Currently the company's exposure to interest rate risk is minimal.

Credit risk

All customers who wish to trade on credit terms are subject to credit verification procedure. Trade debtors will be monitored on an ongoing basis and provision may be made for doubtful debts where necessary.

POLITICAL DONATIONS AND EXPENDITURE

The Company made neither political donations nor incurred any political expenditure during the year.

The charitable donations made during the year was £19,200 (2018: £2,350)

GOING CONCERN

The directors have considered the company's objective, risk management policies, liquidity risk, credit risk, capital management policies and procedures, the nature of its market positioning and its expenditure and cash flow projections. As a result of this review the directors have conducted that the company has adequate and reliable resources to continue to adopt a going concern basis in preparing these financial statements. However the extraordinary circumstances created by the global pandemic Covid-19 coronavirus, the directors have taken steps deemed necessary as disclosed in the Note 2, the accounting policies and notes to the accounts.

**Report of the Directors
FOR THE YEAR ENDED 31 DECEMBER 2019**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 and then apply them consistently;
- make judgements 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, BBK Partnership, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr Y Muniandy - Director

23 April 2020

**Report of the Independent Auditors to the Members of
St. Piran's School (GB) Ltd**

Opinion

We have audited the financial statements of St. Piran's School (GB) Ltd (the 'company') for the year ended 31 December 2019 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, 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 December 2019 and of its profit 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter

Going Concern: In forming our opinion we have considered the adequacy of the disclosure made in the directors' report and in note 2 of the financial statements regarding the global uncertainty caused by Covid-19 coronavirus. The financial statements have been prepared on a going concern basis. The appropriateness of this basis is supported by the increased demand in the company's services accelerated by the global lockdown and its ability to continue its operations via online tools. In view of the significance of this matter we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

Report of the Independent Auditors to the Members of St. Piran's School (GB) Ltd

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page five, 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 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 a Report of the Auditors 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 Report of the Auditors.

**Report of the Independent Auditors to the Members of
St. Piran's School (GB) Ltd**

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 a Report of the Auditors 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.

Alan Kaye FCA (Senior Statutory Auditor)
for and on behalf of BBK Partnership
Chartered Accountants & Statutory Auditors
1 Beauchamp Court
10 Victors Way
Barnet
Hertfordshire
EN5 5TZ



Date: 24 April 2020

St. Piran's School (GB) Ltd (Registered number: 04532510)

**Income Statement
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	31.12.19 £	31.12.18 £
TURNOVER		25,174,100	13,197,248
Cost of sales		(9,628,974)	(3,478,576)
GROSS PROFIT		15,545,126	9,718,672
Administrative expenses		(12,156,046)	(8,632,579)
OPERATING PROFIT and PROFIT BEFORE TAXATION		3,389,080	1,086,093
Tax on profit	6	(659,706)	(216,908)
PROFIT FOR THE FINANCIAL YEAR		2,729,374	869,185

The notes form part of these financial statements

St. Piran's School (GB) Ltd (Registered number: 04532510)

**Other Comprehensive Income
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	31.12.19 £	31.12.18 £
PROFIT FOR THE YEAR		2,729,374	869,185
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,729,374</u>	<u>869,185</u>

The notes form part of these financial statements

Statement of Financial Position
31 DECEMBER 2019

	Notes	31.12.19 £	31.12.18 £
FIXED ASSETS			
Tangible assets	8	1,272,286	1,219,110
CURRENT ASSETS			
Debtors	9	6,299,633	5,539,966
Prepayments and accrued income		650,641	652,763
Cash at bank and in hand		1,082,409	206,561
		8,032,683	6,399,290
CREDITORS			
Amounts falling due within one year	10	8,873,544	6,228,217
NET CURRENT (LIABILITIES)/ASSETS		(840,861)	171,073
TOTAL ASSETS LESS CURRENT LIABILITIES		431,425	1,390,183
PROVISIONS FOR LIABILITIES	12	102,491	68,401
NET ASSETS		328,934	1,321,782
CAPITAL AND RESERVES			
Called up share capital	13	100,000	100,000
Retained earnings	14	228,934	1,221,782
SHAREHOLDERS' FUNDS		328,934	1,321,782

The financial statements were approved by the Board of Directors and authorised for issue on 23 April 2020 and were signed on its behalf by:



Mr Y Muniandy - Director

The notes form part of these financial statements

St. Piran's School (GB) Ltd (Registered number: 04532510)

**Statement of Changes in Equity
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	100,000	352,597	452,597
Changes in equity			
Total comprehensive income	-	869,185	869,185
Balance at 31 December 2018	100,000	1,221,782	1,321,782
Changes in equity			
Dividends	-	(3,722,222)	(3,722,222)
Total comprehensive income	-	2,729,374	2,729,374
Balance at 31 December 2019	100,000	228,934	328,934

The notes form part of these financial statements

St. Piran's School (GB) Ltd (Registered number: 04532510)

**Statement of Cash Flows
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	31.12.19 £	31.12.18 £
Cash flows from operating activities			
Cash generated from operations	1	5,044,321	(55,803)
Tax paid		(187,243)	(221,713)
Net cash from operating activities		<u>4,857,078</u>	<u>(277,516)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(259,002)	(323,990)
Net cash from investing activities		<u>(259,002)</u>	<u>(323,990)</u>
Cash flows from financing activities			
Equity dividends paid		(3,722,222)	-
Net cash from financing activities		<u>(3,722,222)</u>	<u>-</u>
Increase/(decrease) in cash and cash equivalents		<u>875,854</u>	<u>(601,506)</u>
Cash and cash equivalents at beginning of year	2	206,555	808,061
Cash and cash equivalents at end of year	2	<u><u>1,082,409</u></u>	<u><u>206,555</u></u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows
FOR THE YEAR ENDED 31 DECEMBER 2019

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.19 £	31.12.18 £
Profit before taxation	3,389,080	1,086,093
Depreciation charges	205,826	191,589
	<u>3,594,906</u>	<u>1,277,682</u>
Increase in trade and other debtors	(757,545)	(1,207,352)
Increase/(decrease) in trade and other creditors	2,206,960	(126,133)
	<u>2,206,960</u>	<u>(126,133)</u>
Cash generated from operations	<u><u>5,044,321</u></u>	<u><u>(55,803)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2019

	31.12.19 £	1.1.19 £
Cash and cash equivalents	1,082,409	206,561
Bank overdrafts	-	(6)
	<u>1,082,409</u>	<u>206,555</u>

Year ended 31 December 2018

	31.12.18 £	1.1.18 £
Cash and cash equivalents	206,561	808,061
Bank overdrafts	(6)	-
	<u>206,555</u>	<u>808,061</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.19 £	Cash flow £	At 31.12.19 £
Net cash			
Cash at bank and in hand	206,561	875,848	1,082,409
Bank overdrafts	(6)	6	-
	<u>206,555</u>	<u>875,854</u>	<u>1,082,409</u>
Total	<u><u>206,555</u></u>	<u><u>875,854</u></u>	<u><u>1,082,409</u></u>

The notes form part of these financial statements

**Notes to the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. STATUTORY INFORMATION

St. Piran's School (GB) Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

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 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 estimates 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.

Turnover

Turnover represents tuition fees excluding value added tax, in relation to courses delivered during the year and recognised evenly over the period of the relevant course. Any receipts in advance of a course starting date are held on the balance sheet as deferred income.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 5% on cost
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 15% on reducing balance
Computer equipment	- 15% on reducing balance

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES - continued

Financial instruments

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and all deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to and 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 payables are classified as current liabilities of the company does not have an unconditional right at the end of the reporting period to defer settlements of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlements 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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £72,863 (2018 - £33,518).

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES - continued

Going concern

The accounts have been prepared in a going concern basis.

The current pandemic caused by Covid-19 has triggered global uncertainty and the impact particularly in the educational industry is expected to be extraordinary. The directors are monitoring the progress and effect of the spread of the virus, though they are unable to immediately quantify its impact on future commerciality. Strategies and policies to manage the evolving developments have been implemented by the directors, specifically:

- monitoring changes in confirmed deposits and cancellations
- monitoring the management responses of associated educational institutions
- reviewing the impact on forecast that may impact impairment evaluations
- possibilities in insurance recoveries

The directors assured that the company has sufficient resources to bear the global impact within the education and edification industry.

Provision

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

3. EMPLOYEES AND DIRECTORS

	31.12.19	31.12.18
	£	£
Wages and salaries	6,738,882	7,177,319
Other pension costs	72,863	33,518
	<u>6,811,745</u>	<u>7,210,837</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

3. **EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	31.12.19	31.12.18
Management	10	6
Administrative	68	49
Teaching and support	65	76
	<u>143</u>	<u>131</u>

4. **DIRECTORS' EMOLUMENTS**

	31.12.19	31.12.18
	£	£
Directors' remuneration	<u>173,062</u>	<u>151,217</u>

5. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.19	31.12.18
	£	£
Other operating leases	2,480,854	1,436,224
Depreciation - owned assets	205,826	191,590
Auditors' remuneration	<u>49,260</u>	<u>39,500</u>

6. **TAXATION**

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.12.19	31.12.18
	£	£
Current tax:		
UK corporation tax	625,616	187,167
Deferred tax	<u>34,090</u>	<u>29,741</u>
Tax on profit	<u>659,706</u>	<u>216,908</u>

7. **DIVIDENDS**

	31.12.19	31.12.18
	£	£
Final	<u>3,722,222</u>	<u>-</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

8. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2019	550,000	3,659,109	36,200	1,130,185	5,375,494
Additions	-	203,675	-	55,327	259,002
At 31 December 2019	550,000	3,862,784	36,200	1,185,512	5,634,496
DEPRECIATION					
At 1 January 2019	260,730	2,959,189	29,959	906,506	4,156,384
Charge for year	27,500	135,539	936	41,851	205,826
At 31 December 2019	288,230	3,094,728	30,895	948,357	4,362,210
NET BOOK VALUE					
At 31 December 2019	261,770	768,056	5,305	237,155	1,272,286
At 31 December 2018	289,270	699,920	6,241	223,679	1,219,110

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 £	31.12.18 £
Trade debtors	5,844,519	2,589,353
Other Debtors	455,114	2,950,613
	<u>6,299,633</u>	<u>5,539,966</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 £	31.12.18 £
Bank loans and overdrafts (see note 11)	-	6
Trade creditors	1,867,998	2,869,710
Deferred Income	1,885,018	2,552,850
Tax	596,298	157,925
Social security and other taxes	195,186	201,913
Other creditors	140,160	125,734
Dividend Payable	1,500,000	-
Accrued expenses	2,688,884	320,079
	<u>8,873,544</u>	<u>6,228,217</u>

11. LOANS

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

12. PROVISIONS FOR LIABILITIES

	31.12.19 £	31.12.18 £
Deferred tax	<u>102,491</u>	<u>68,401</u>
Balance at 1 January 2019		68,401
Provided during year		<u>34,090</u>
Balance at 31 December 2019		<u>102,491</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.12.19 £	31.12.18 £
Number:	Class:	Nominal value:		
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

14. RESERVES

	Retained earnings £
At 1 January 2019	1,221,782
Profit for the year	2,729,374
Dividends	<u>(3,722,222)</u>
At 31 December 2019	<u>228,934</u>

15. RELATED PARTY DISCLOSURES

Included in other debtors is £295,544 (2018: £2,720,265) being owed by companies which are controlled by Mr T Andradi, a former director of the company.

Company Name	Country of incorporation	At 31 Dec.2019	At 31 Dec.2018
Globe Education (GB) Limited	England	£295,544	£2,293,558
LSC Properties Ltd	England		£838,489
Westminster International College SDN, BHD	Malaysia		(£290,000)
British School of Commerce (Private) Limited	Sri Lanka		£128,218
London School of Commerce, Malta	Malta		(£250,000)
Total		<u>£295,544</u>	<u>£2,720,265</u>

During the year, a total of key management personnel compensation of £251,316 was paid.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

16. POST BALANCE SHEET EVENTS

The current pandemic triggered by Covid-19 , Coronavirus does not reflect upon the reporting period. However the global uncertainty and the impact particularly in the educational industry is expected to be extraordinary. The directors are monitoring the progress and effect of the spread of the virus, though they are unable to immediately quantify its impact on future commerciality.

17. ULTIMATE CONTROLLING PARTY

A former director combined with member of his close family holds the ultimate controlling interest of the entity.