

Company Registration No. 06658727 (England and Wales)

ACCENT LANGUAGE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019
PAGES FOR FILING WITH REGISTRAR

ACCENT LANGUAGE LIMITED

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ACCENT LANGUAGE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2019

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		14,047		2,209
Investments	5		100		100
			<u>14,147</u>		<u>2,309</u>
Current assets					
Debtors	7	1,776,274		1,537,713	
Cash at bank and in hand		30,511		97,215	
		<u>1,806,785</u>		<u>1,634,928</u>	
Creditors: amounts falling due within one year	8	<u>(958,133)</u>		<u>(1,288,923)</u>	
Net current assets			848,652		346,005
Total assets less current liabilities			<u>862,799</u>		<u>348,314</u>
Capital and reserves					
Called up share capital	9		1		1
Profit and loss reserves			862,798		348,313
Total equity			<u>862,799</u>		<u>348,314</u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 21 December 2020 and are signed on its behalf by:

Mark McKeary
Director

Company Registration No. 06658727

ACCENT LANGUAGE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2019

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 August 2017	1	433,240	433,241
Year ended 31 July 2018:			
Loss and total comprehensive income for the year	-	(84,927)	(84,927)
Balance at 31 July 2018	1	348,313	348,314
Year ended 31 July 2019:			
Profit and total comprehensive income for the year	-	514,485	514,485
Balance at 31 July 2019	1	862,798	862,799

ACCENT LANGUAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

Company information

Accent Language Limited is a private company limited by shares incorporated in England and Wales. The registered office is Belmont House, Station Way, Crawley, West Sussex, RH10 1JA.

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. The principal accounting policies adopted are set out below.

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 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- 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;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

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.

Accent Language Limited is an indirectly wholly owned subsidiary of Global University Systems Holding B.V. and the results of Accent Language Limited are included in the consolidated financial statements of Global University Systems Holding B.V. which are available from Keizersgracht 307, 1016ED Amsterdam, The Netherlands.

ACCENT LANGUAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

(Continued)

1.2 Going concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reason. The company is reliant on the support of other group companies as a result of the way that the group is financed. Global University Systems Holding B.V. has agreed to continue to provide financial and other support to the company for the foreseeable future to enable it to continue to trade.

As a result, having assessed the response of the directors of Global University Systems Holding B.V., in light of its support and on the basis of his assessment of the company's financial position and Global University Systems Holding B.V. financial position, the Director has a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the financial statements.

The current COVID-19 pandemic as noted in note 13 has been taken into account and does not alter this view.

1.3 Turnover

Revenue comprises the fair value of the sales of goods and services net of discounts. Goods sold represent books, study texts, course note, online video materials and published matter.

Revenue represents fees receivable for the provision of tuition and student services. Revenue is recognised on the basis of the estimated timing of delivery of the courses and the provision of student services. For certain courses delivery can vary on a student by student basis and therefore an estimation of the timing of the delivery is made on a course by course basis. Revenue in respect of student services is recognised on invoice.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the balance sheet date. Deferred income represents amounts invoiced for which the service will be provided in future periods. Revenue is only recognised when the company has performed all of its required obligations and when all the following conditions are satisfied: the revenue can be measured reliably; it is possible that the economic benefits will flow to the company; the state of completion at the balance sheet date can be measure reliably; and the cost relating to the transaction can be measured reliably.

The Company makes allowances for doubtful trade debtors. Significant judgement is used to determine doubtful accounts. Changes in the economy, industry, or specific customer conditions may require adjustments to the allowance for doubtful debts recorded in the financial statements.

Expenses include VAT where applicable as the company cannot reclaim it.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

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.

ACCENT LANGUAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

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:

Fixtures, fittings & equipment	5 years straight line
Computer equipment	3 years 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.

1.6 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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

ACCENT LANGUAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

(Continued)

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.

Other financial assets

The company does not enter into any transactions that can be classified as other financial assets, including equity instruments which are not subsidiaries, associates or joint ventures.

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.

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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments and the company did not enter into any such transactions that can be classified as other financial liabilities.

ACCENT LANGUAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

(Continued)

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.

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.

ACCENT LANGUAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

(Continued)

1.15 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 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	3,429	13,200
	<u> </u>	<u> </u>

3 Employees

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

	2019 Number	2018 Number
Total	28	5
	<u> </u>	<u> </u>

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 August 2018	40,698
Additions	16,331
	<u> </u>
At 31 July 2019	57,029
	<u> </u>
Depreciation and impairment	
At 1 August 2018	38,489
Depreciation charged in the year	4,493
	<u> </u>
At 31 July 2019	42,982
	<u> </u>
Carrying amount	
At 31 July 2019	14,047
	<u> </u>
At 31 July 2018	2,209
	<u> </u>

ACCENT LANGUAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

5 Fixed asset investments

	2019 £	2018 £
Investments	100	100

Movements in fixed asset investments

	Shares in group undertakings	
	£	
Cost or valuation		
At 1 August 2018 & 31 July 2019		100
Carrying amount		
At 31 July 2019		100
At 31 July 2018		100

6 Subsidiaries

Details of the company's subsidiaries at 31 July 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
The Language Gallery Limited	England & Wales	Technical & vocational secondary education	Ordinary	100.00	0

7 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	194,568	240,937
Amounts owed by group undertakings	1,508,601	1,195,340
Prepayments and accrued income	73,105	101,436
	1,776,274	1,537,713

ACCENT LANGUAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

8 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	239,807	214,522
Taxation and social security	38,530	25,034
Other creditors	679,796	1,049,367
	<u>958,133</u>	<u>1,288,923</u>

9 Called up share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Jonathan Isaacs.
The auditor was Jeffreys Henry LLP.

11 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:

	2019 £	2018 £
Within one year	67,617	16,812
Between two and five years	269,915	269,915
In over five years	269,730	337,532
	<u>607,262</u>	<u>624,259</u>

12 Financial commitments and guarantees

The Company, along with other group companies, is named as a guarantor in the senior facilities agreement for Markermeer Finance B.V. A fixed and floating security shall be provided over the Company's assets. The various loans which total approximately €1 billion are due in 2027 and the revolving credit facility of £120m is to be repaid in 2026.

ACCENT LANGUAGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

13 Events after the reporting date

Covid-19 Pandemic

The World Health Organisation declared the COVID-19 outbreak a global pandemic on 11 March 2020 and given the passage of time from the balance sheet date of 31 July 2019 as such, this is considered to be a non-adjusting post balance sheet event. As of the date of this report, the COVID-19 crisis is still ongoing and its effects on the global economy are uncertain. Hence, it is not possible to accurately quantify the potential financial impact on the company. However, considering the strong balance sheet position, substantial cash and reserves of the Global University Systems Holding B.V group, of which the company is a member of, there are no concerns about the company's ability to remain a going concern.

Management of the company continues to monitor the situation closely and to put in whatever measure may be necessary to deflect a prolonged downturn.

14 Contingent liabilities

A significant proportion of the company's business involves the provision of higher education to students in the United Kingdom. The implementation of the European Union Principal VAT Directive in domestic legislation, regulations and policy documents, including in respect of operational matters, continues to evolve. The primary legislation and regulations are not always clearly written and are subject to varying interpretations by the tax authority, the tax tribunals and the courts. Instances of inconsistent interpretations are not unusual.

The uncertainty of inconsistent enforcement and application of VAT laws as they apply to the provision of higher education (which is exempt from the scope of VAT in the Principal Directive), creates a risk of additional tax liabilities being assessed by the tax authority. Insofar such assessments are made in respect of historic periods, they can also be subject to a claim for penalties and interest. Whilst it is not possible to reliably estimate the probability or quantum of such potential claims, such claims, if made and sustained, may have a material effect on the company's financial position, results of operations and cash flows.

At the same time, there is a risk that transactions and interpretations that have not been challenged in the past may be challenged by the authorities in the future, although this risk significantly diminishes with passage of time. It is not practical to determine the amount of any potential claims or the likelihood of any unfavourable outcome.

15 Parent company

The immediate parent company is Global University System B.V., a company registered in The Netherlands.

The ultimate parent company Riverhead Ventures Limited, a company registered in the British Virgin Islands.

The ultimate controlling party is The Heritage Trust, registered in Guernsey.

The smallest and largest group into which the entity is consolidated is Global University Systems Holding B.V., a company registered in The Netherlands. The registered office is Keizersgracht 307, 1016ED Amsterdam, The Netherlands from which copies of the group financial statements can be obtained.

16 Related party transactions

The company has taken advantage of the exemption allowed in FRS 102 and has not disclosed details of related party transactions with 100% owned entities within the group.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.