

Financial statements Active English Limited

For the Year Ended 31 August 2008

TUESDAY



LD3 *L80RK8MY* 458
31/03/2009
COMPANIES HOUSE

Company No. 3800313

Company information

Company registration number	3800313
Registered office	Berkshire College Hall Place Burchetts Green Maidenhead Berkshire SL6 6QR
Directors	R M Clarke D J Walker
Secretary	D J Walker
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditor Churchill House Chalvey Road East Slough Berkshire SL1 2LS

Index

Report of the directors	3 - 4
Report of the independent auditor	5 - 6
Principal accounting policies	7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10 - 14

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 August 2008.

Principal activities

The principal activity of the company during the year was the provision of English language education. During the year, the trade, assets and liabilities of Active English Limited were transferred to its parent company, Ardmore Language Schools Limited at net book value. On this date the company ceased to trade.

Results and dividends

The profit for the year amounted to £1,036. The directors have not recommended a dividend.

Directors

The directors who served the company during the year were as follows:

R M Clarke
D J Walker

Directors' responsibilities

The directors are responsible for preparing the Report of 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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 proper accounting records that 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 1985. 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Companies Act 2006.

ON BEHALF OF THE BOARD

D J Walker
Director

.....





Report of the independent auditor to the members of Active English Limited

We have audited the financial statements of Active English Limited for the year ended 31 August 2008 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.



Report of the independent auditor to the members of Active English Limited (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 August 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

A handwritten signature in black ink, appearing to read "Grant Thornton UK LLP".

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
LONDON THAMES VALLEY OFFICE
SLOUGH

27 March 2009

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- not depreciated
Fixtures & Fittings	- 25% reducing balance

The freehold property is not depreciated, as in the opinion of the directors, the property's realisable value is greater than the book value in the financial statements.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

	Note	2008 £	2007 £
Turnover		-	-
Other operating charges	1	(2,524)	(3,366)
Other operating income	2	25,000	25,000
Operating profit	3	22,476	21,634
Interest payable and similar charges	5	(21,796)	(19,636)
Profit on ordinary activities before taxation		680	1,998
Tax on profit on ordinary activities	6	356	(1,371)
Profit for the financial year	14	1,036	627

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

Balance sheet

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	7	-	460,097
Current assets			
Debtors	8	400,100	310,767
Creditors: amounts falling due within one year	9	-	28,459
Net current assets		400,100	282,308
Total assets less current liabilities		400,100	742,405
Creditors: amounts falling due after more than one year	10	-	283,119
		400,100	459,286
Capital and reserves			
Called-up equity share capital	13	400,100	400,100
Revaluation reserve	14	-	58,559
Profit and loss account	15	-	627
Shareholders' funds	16	400,100	459,286

These financial statements were approved by the directors and authorised for issue on 27/03/2009, and are signed on their behalf by:


DJ Walker
Director

Notes to the financial statements

1 Other operating charges

	2008 £	2007 £
Administrative expenses	<u>2,524</u>	<u>3,366</u>

2 Other operating income

	2008 £	2007 £
Rent receivable	<u>25,000</u>	<u>25,000</u>

3 Operating profit

Operating profit is stated after charging:

	2008 £	2007 £
Depreciation of owned fixed assets	<u>2,524</u>	<u>3,366</u>

4 Directors and employees

No salaries or wages have been paid to employees, including the directors, during the year.

5 Interest payable and similar charges

	2008 £	2007 £
Interest payable on bank borrowing	21,796	19,527
Finance charges payable under finance leases and hire purchase agreements	-	109
	<u>21,796</u>	<u>19,636</u>

6 Taxation on profit on ordinary activities

(a) Analysis of charge in the year

	2008 £	2007 £
Current tax:		
UK Corporation tax based on the results for the year at 20% (2007 - 19%)	287	643
Over/under provision in prior year	(643)	728
Total current tax	<u>(356)</u>	<u>1,371</u>

6 Taxation on profit on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2007 - 19%).

	2008 £	2007 £
Profit on ordinary activities before taxation	680	1,998
Profit on ordinary activities at 20% (2007 - 19%)	139	380
Capital allowances for period in excess of depreciation	148	(384)
Adjustments to tax charge in respect of previous periods	(643)	728
Marginal relief adjustment	-	(35)
Utilisation of tax losses	-	682
Total current tax (note 6(a))	(356)	1,371

7 Tangible fixed assets

	Freehold Property £	Fixtures & Fittings £	Total £
Cost or valuation			
At 1 September 2007	466,311	13,463	479,774
Additions	-	-	-
Disposals	(466,311)	(13,463)	(479,774)
At 31 August 2008	-	-	-
Depreciation			
At 1 September 2007	16,311	3,366	19,677
Charge for the year	-	2,524	2,524
On disposals	(16,311)	(5,890)	(22,201)
At 31 August 2008	-	-	-
Net book value			
At 31 August 2007	-	-	-
At 31 August 2006	450,000	10,097	460,097

8 Debtors

	2008 £	2007 £
Amounts owed by group undertakings	<u>460,609</u>	<u>310,767</u>

9 Creditors: amounts falling due within one year

	2008 £	2007 £
Bank loans	-	24,000
Corporation tax	-	643
Accruals and deferred income	-	3,816
	<u>-</u>	<u>28,459</u>

10 Creditors: amounts falling due after more than one year

	2008 £	2007 £
Bank loans and overdrafts	<u>-</u>	<u>283,119</u>

The bank loan is repayable by monthly instalments. There were 142 instalments repayable at the period end. Interest is charged on the loan at 1.5% above the National Westminster Bank plc base rate. The loan is secured on the land and buildings at 12 Eversfield Road, Eastbourne and also has an unlimited guarantee from the parent company.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2008 £	2007 £
Bank loans and overdrafts	<u>-</u>	<u>187,119</u>

11 Derivatives

In the opinion of the directors there are no derivatives at 31 August 2008 or 31 August 2007.

12 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions with fellow group undertakings controlled by Ardmore Language Schools Limited where 90% or more of the voting rights are controlled within the group.

13 Share capital

Authorised share capital:

	2008 £	2007 £
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

Allotted, called up and fully paid:

	2008 No	£	2007 No	£
Ordinary shares of £1 each	<u>400,100</u>	<u>400,100</u>	<u>400,100</u>	<u>400,100</u>

14 Profit and loss account

	2008 £	2007 £
Balance brought forward	627	-
Profit for the financial year	59,595	627
Equity dividends paid	<u>(60,222)</u>	<u>-</u>
Balance carried forward	<u>-</u>	<u>627</u>

15 Revaluation reserve

	2008 £	2007 £
Balance brought forward	58,559	58,559
Transfer to profit and loss account on sale of fixed assets	<u>(58,559)</u>	<u>-</u>
Balance carried forward	<u>-</u>	<u>58,559</u>

16 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	59,595	627
Equity dividends paid	<u>(60,222)</u>	<u>-</u>
Net (reduction)/surplus to shareholders funds	<u>(627)</u>	<u>627</u>
Opening funds	459,659	458,659
Movement on revaluation	<u>(58,559)</u>	<u>-</u>
Closing shareholders' funds	<u>400,100</u>	<u>459,286</u>

17 Capital commitments

There were no capital commitments as at 31 August 2008 or 31 August 2007.

18 Contingent liabilities

There were no contingent liabilities as at 31 August 2008 or 31 August 2007.

19 Ultimate parent company

The directors consider that the ultimate parent company is Ardmore Language Schools Limited, a company registered in England & Wales, by virtue of its 100% ownership of the share capital of Active English Limited.