



Scott-Moncrieff
business advisers and accountants

TEFL SCOTLAND LTD

Company registration number SC349721

FILING FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2017

TEFL SCOTLAND LTD

COMPANY INFORMATION

Directors	Mrs J E Hallwood R J S Hallwood T D Wilkinson
Company secretary	Rupert Hallwood
Registered number	SC349721
Registered office	18 Alexander Place Inverness IV3 5BX
Accountants	Scott-Moncrieff Chartered Accountants 10 Ardross Street Inverness IV3 5NS

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STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2017

	Note	2017 £	Restated 2016 £
Fixed assets			
Tangible assets	5	7,758	10,599
Investments	6	75	75
		<u>7,833</u>	<u>10,674</u>
Current assets			
Debtors: amounts falling due within one year	7	283,779	188,114
Cash at bank and in hand		274,084	359,591
		<u>557,863</u>	<u>547,705</u>
Creditors: amounts falling due within one year	8	(316,974)	(340,367)
Net current assets		<u>240,889</u>	<u>207,338</u>
Total assets less current liabilities		<u>248,722</u>	<u>218,012</u>
Provisions for liabilities			
Deferred tax	9	(1,275)	(2,120)
		<u>(1,275)</u>	<u>(2,120)</u>
Net assets		<u><u>247,447</u></u>	<u><u>215,892</u></u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		247,347	215,792
		<u>247,447</u>	<u>215,892</u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of Section 1A 'Small Entities' of Financial Reporting Standard 102.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The company has opted not to file the directors' report or the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
Mrs J E Hallwood
Director

Date: 30 July 2018

The notes on pages 3 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 October 2017.

The continuing activities of TEFL Scotland Ltd ('the company') is that of providing training and business support.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of these financial statements. The company's registered number is SC349721.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

Before 1 November 2016 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council, and referred to as 'previous UK GAAP'. Information on the impact of first-time adoption of FRS 102 is given in note 15. The date of transition is 1 November 2015.

The preparation of financial statements in compliance with Section 1A 'Small Entities' of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The company has sufficient financial resources. The directors believe that the company is well placed to manage its business risk successfully.

The directors have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. Thus they continue to operate the going concern basis of accounting in preparing the annual financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

2. Accounting policies (continued)**2.3 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25%	on reducing balance
Computer equipment	-	33%	on reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

2. Accounting policies (continued)

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

2. Accounting policies (continued)

2.10 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Income and Retained Earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.11 Foreign currency translation

Functional and presentational currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.13 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporation 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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the difference between the fair values of assets acquired and the future tax deductions available for them and the difference between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

3. Employees

The average monthly number of employees, including directors, during the year was 19 (2016 - 19).

4. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	15,750	14,560
Company contributions to defined contribution pension schemes	101,861	63,739
	<u>117,611</u>	<u>78,299</u>

5. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 November 2016	11,861	24,176	36,037
Additions	-	471	471
At 31 October 2017	<u>11,861</u>	<u>24,647</u>	<u>36,508</u>
Depreciation			
At 1 November 2016	8,422	17,016	25,438
Charge for the year	860	2,452	3,312
At 31 October 2017	<u>9,282</u>	<u>19,468</u>	<u>28,750</u>
Net book value			
At 31 October 2017	<u>2,579</u>	<u>5,179</u>	<u>7,758</u>
At 31 October 2016	<u>3,439</u>	<u>7,160</u>	<u>10,599</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2016	75
At 31 October 2017	75
Net book value	
At 31 October 2017	75
At 31 October 2016	75

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
TEFL Courses Ireland Limited	Ireland	Ordinary	100 %	Providing training and business support

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
TEFL Courses Ireland Limited	70,300	69,127
	70,300	69,127

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

7. Debtors

	2017 £	2016 £
Trade debtors	4,458	11,407
Other debtors	236,980	125,375
Prepayments and accrued income	16,016	25,007
Tax recoverable	26,325	26,325
	<u>283,779</u>	<u>188,114</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	31,543	31,857
Corporation tax	57,845	55,006
Other taxation and social security	81,384	89,402
Other creditors	55,116	120,353
Accruals and deferred income	91,086	43,749
	<u>316,974</u>	<u>340,367</u>

9. Deferred taxation

	2017 £	2016 £
At beginning of year	2,120	1,740
Charged to profit or loss	845	(380)
At end of year	<u><u>1,275</u></u>	<u><u>2,120</u></u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	1,319	2,120
Short term timing differences	(44)	-
	<u><u>1,275</u></u>	<u><u>2,120</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

10. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

11. Prior year adjustment

The company purchased 100% of the ordinary share capital in TEFL Courses Ireland Ltd on 26 January 2015. This investment had been previously omitted from the company accounts in error.

The impact of this adjustment is an increase in investments held of £75 and a reduction in amount due from group undertakings included within other debtors.

12. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £3,306 (2016 - £980). Contributions totalling £259 (2016 - £123) were payable to the fund at the reporting date and are included in creditors.

13. Commitments under operating leases

At 31 October 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	22,313	22,750
Later than 1 year and not later than 5 years	31,602	53,915
	<u>53,915</u>	<u>76,665</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

14. Related party transactions

R J S Hallwood

A company director and shareholder.

During the year Mr R.J.S. Hallwood introduced £107,805 (2016 - £157,606) to the company and withdrew £147,244 (2016 - £87,472). Dividends of £100,000 (2016 - £150,000) were paid to the related party in the year.

Amount due to the related party at the year end £11,508 (2016 - £50,947). No interest is charged on the loan balance and it is repayable on demand.

Mrs J E Hallwood

A company director and shareholder.

During the year Mrs J.E. Hallwood introduced £108,792 (2016 - £157,950) to the company and withdrew £131,273 (2016 - £80,956). Dividends of £100,000 (2016 - £150,000) were paid to the related party in the year.

Amount due to the related party at the year end £40,223 (2016 - £62,704). No interest is charged on the loan balance and it is repayable on demand.

EFTIKIA Limited

A company owned by the directors.

During the year, the company made payments to or on behalf of EFTIKIA Limited of £4,811 (2016 - £76,345).

Amount due from related party at the year end £98,219 (2016 - £93,408). No interest is charged on the loan balance and it is repayable on demand.

TEFL Ireland Ltd

A company under common control

During the year, the company made payments to or on behalf of TEFL Ireland Limited of £81,936 (2016 - £nil).

During the year, TEFL Ireland Limited made payments to or on behalf of the company of £36,095 (2016 - £nil).

Amount due from related party at the year end £45,766 (2016 - £nil). Amount due to related party at the year end £nil (2016 - £75). No interest is charged on the loan balance and it is repayable on demand.

TEFL Org Inc.

A company under common control

During the year, the company made payments to or on behalf of TEFL Org Inc. of £52,960 (2016 - £nil).

Amount due from related party at the year end £52,960 (2016 - £nil). No interest is charged on the loan balance and it is repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017**

15. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

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