

EF Solutions (Services) Limited

Report and Financial Statements

Year Ended

30 September 2019

Company Number 05749390



EF Solutions (Services) Limited

Report and financial statements for the year ended 30 September 2019

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Directors

Mr Henrik Norlin
Mr Henrik Bootz

Registered office

Park House, Crawley Business Quarter, Manor Royal, Crawley, West Sussex RH10 9AD, United Kingdom

Company number

05749390

(limited by shares)

Auditors

BDO LLP, 55 Baker Street London, W1U 7EU

EF Solutions (Services) Limited

Strategic report for the year ended 30 September 2019

Review of the business

Revenue is derived from the provision of business consultancy services to affiliated entities. The increase in revenue therefore reflects a higher cost base over the course of the year which was mainly driven by staff costs in the business. The directors consider the result for the year to be satisfactory and anticipate that results will be similar for the coming year.

Principal Risks and Uncertainties

The operating profitability (before interest and tax) of the Company is stable due to the cost-recovery structure of the service agreements. At the signing of the strategic report, many nations, including the UK are requesting their residents to stay at home for an extended period to curb the spread of the COVID-19 virus. It goes without saying that such announcements impact the Company, a service provider of the EF principal companies that sell international travel and education products. Businesses around the world are coping with uncertainties, and yet, there is a precedent in how the EF principal companies have adapted during these temporary closures. A similar decree by the Chinese government was issued in January, also resulting in temporary school closures and working from home. EF principal companies confirmed that students were migrated to EF's online learning in China during the course of one month. The same interactive online teaching approach is being replicated in other impacted markets. With respect to the business in the UK as a service provider to EF principal companies, it is still the opinion of the board that cost will be recovered and there is low risk.

Interest and taxation fall outside the scope of the business consultancy agreements and cannot be recovered. The effective tax rate for the year is 19% (2018: 19%). The tax charge this year was higher due to the higher profit before taxation. Further details on the tax charge can be found in notes 7 and 11 of the financial statements.

The best indication of the company's performance is cash flow generated from operating activities. The board regularly reviews the cash requirements for operations and investments and appropriate facilities are made available to be drawn upon as necessary. The company has a stable financing structure as it is not involved with financial instruments or other risk taking activities. Company's operations are primarily financed from inter-company accounts at a standard interest percentage.

Analysis of the development and performance of the business

The company closed this financial year with a higher operating profit of £1,025,685 (2018: £762,243). This is due to 35% increase in costs of sales and thus in revenue. The reason behind the higher cost base is 23% increase in wages and salaries driven by the higher number of employees. This year, amounts owed by debtors have increased following the higher amounts owed by group undertakings, and the short-term creditors amounts have decreased slightly mainly due to a lower amount due to parent and fellow subsidiary undertakings.

Key performance indicators

The Board considers the following to be the company's key performance indicators

	2019	2018
The profit for the year after taxation	£793,161	£610,401
Operating profit %, being operating profit as a % of turnover taken from the statutory account of the statement of income and retained earnings	4.8%	4.8%

EF Solutions (Services) Limited

Strategic report (continued)
for the year ended 30 September 2019

Approval by the board

Approved by the Board of Directors:



Mr Henrik Bootz
Director

Date: June 11, 2020



Mr Henrik Norlin
Director

Date: June 2, 2020

EF Solutions (Services) Limited

Report of the directors for the year ended 30 September 2019

The directors present their report together with the strategic report and audited financial statements for the year ended 30 September 2019.

Results

The profit for the year after taxation was £793,161 (2018: profit of £610,401). The directors do not recommend the payment of a dividend (2018: £500,000) and the result for the year has been transferred to retained earnings.

Principal activities

The primary activity of the company is to provide management services in the form of marketing and general business consultancy advice, information technology services and legal services to other EF companies in connection with teaching services for adults.

Directors

The directors of the company during the year were as follows:

Mr Henrik Bootz
Mr Henrik Norlin

Directors' responsibilities

The directors are responsible for preparing the directors' report 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). 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

EF Solutions (Services) Limited

Report of the directors (*continued*) for the year ended 30 September 2019

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

The auditors, BDO LLP, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board



Mr Henrik Bootz
Director



Mr Henrik Norlin
Director

Date: June 11, 2020

Date: June 2, 2020

EF Solutions (Services) Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EF SOLUTIONS (SERVICES) LIMITED

Opinion

We have audited the financial statements of EF Solutions (Services) Limited ("the Company") for the year ended 30 September 2019 which comprise the Statement of income and retained earnings, Statement of financial position, Statement of cash flows, and the 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 30 September 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 Auditor's 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.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements, which indicates that the Company is reliant on the continued support from the Group of which it is a subsidiary in order to continue as a going concern. As stated in note 1, these events or conditions, along with other matters as set out in note 16, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report 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.

EF Solutions (Services) Limited

Independent auditor's report (*continued*)

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

We have nothing to report in respect of the following matters in relation to which 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 Directors' responsibilities statement, 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 is 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.

Auditor's 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 an auditor's report 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:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

EF Solutions (Services) Limited

Independent auditor's report (*continued*)

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 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.

BDO LLP

Gary Hanson (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
Date 11 June 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

EF Solutions (Services) Limited

Statement of income and retained earnings for the year ended 30 September 2019

Company number 05749390	Note	2019	2018
		£	£
Turnover	3	21,533,875	16,006,639
Cost of sales		(20,508,190)	(15,244,396)
Operating profit	4	1,025,685	762,243
Interest receivable and other income	6	4,901	2,531
Interest payable and similar expenses	6	(92)	-
Profit before taxation		1,030,494	764,774
Taxation charge on profit	7	(237,333)	(154,373)
Profit & total comprehensive income for the financial year		793,161	610,401
Retained earnings at 1 October		1,014,371	903,970
Dividends		-	(500,000)
Retained earnings at 30 September		1,807,532	1,014,371

The results stated above are derived from continuing activities.

The notes on pages 13 to 19 form part of these financial statements.

EF Solutions (Services) Limited

Statement of financial position for the year ended 30 September 2019

<i>Company number 05749390</i>	Note	2019	2019	2018	2018
		£	£	£	£
Fixed assets					
Tangible assets	8		25,905		29,693
Current assets					
Debtors	9	3,070,204		2,808,819	
Cash at bank and in hand		525,072		20,524	
		<u>3,595,276</u>		<u>2,829,343</u>	
Creditors: amounts falling due within one year	10	<u>(1,813,149)</u>		<u>(1,844,165)</u>	
Net current assets			<u>1,782,127</u>		<u>985,178</u>
Total assets less current liabilities			<u>1,808,032</u>		<u>1,014,871</u>
Capital and reserves					
Called up share capital	12		500		500
Retained earnings	13		1,807,532		1,014,371
Shareholder's funds			<u>1,808,032</u>		<u>1,014,871</u>

The financial statements were approved by the Board of Directors and authorised for issue on:



Mr Henrik Bootz
Director

Date: June 11, 2020



Mr Henrik Norlin
Director

Date: June 2, 2020

The notes on pages 13 to 19 form part of these financial statements.

EF Solutions (Services) Limited

Statement of cash flows for the year ended 30 September 2019

Cash flows from operating activities	Note	2019 £	2018 £
Profit for the financial year		793,161	610,401
Adjustments for:			
Depreciation	8	15,139	20,861
Other financial income	6	(4,901)	(2,531)
Finance costs	6	92	-
Tax for the period	7	237,333	154,373
Result on sale of assets		4,133	857
Decrease/ (Increase) in debtors		(257,871)	(353,552)
(Decrease)/Increase in creditors		(113,589)	208,980
Cash generated from operations		673,496	639,389
Tax paid		(158,273)	(157,798)
Net cash generated from operating activities		515,224	481,591
Investment activities			
Interest received	6	4,901	2,531
Purchase of fixed assets - other		(15,484)	(21,947)
Net cash from investment activities		(10,583)	(19,416)
Cash from financing activities			
Interest paid	6	(92)	-
Dividends paid		-	(500,000)
Net cash from financing activities		(92)	(500,000)
Net increase/(decrease) in cash		504,549	(37,825)
Cash and bank at beginning of year		20,524	58,349
Net increase/(decrease)		504,548	(37,825)
Cash and cash equivalents at end of year		525,072	20,524

The notes on pages 13 to 19 form part of these financial statements.

EF Solutions (Services) Limited

Notes forming part of the financial statements for the year ended 30 September 2019

1 Accounting policies

The company is a private company incorporated in England at Park House, Crawley Business Quarter, Manor Royal, Crawley, West Sussex, RH10 9AD. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

Basis of measurement

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying those accounting policies. Further details have been provided in note 2.

The following principal accounting policies have been applied:

Turnover

Turnover represents costs re-charged to affiliated entities in-line with service contract agreements. Turnover is recognised when costs are incurred.

Tangible fixed assets

Tangible fixed assets, 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of income and retained earnings during the period in which they are incurred.

Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Leasehold improvements	- term of the lease
Computer equipment	- 3 years
Fixtures, fittings, tools and equipment	- 5 years
Vehicles	- 5 years

EF Solutions (Services) Limited

Notes forming part of the financial statements (*continued*) for the year ended 30 September 2019

1 Accounting policies (*continued*)

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, except that a change attributable to an item of income or 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 income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the date of the statement of financial position, except:

- 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Foreign currency

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the date of the statement of financial position. Any differences are taken to the account of the statement of income and retained earnings.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the date of the statement of financial position and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the date of the statement of financial position.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the account of the statement of income and retained earnings in the year in which they become payable. The assets of the scheme are held separately in an independently administered fund.

Going concern

The directors have prepared the financial statements of EF Solutions (Services) Limited on a going concern basis.

Due to the nature of the company's trade, being the provision of services for other group companies the company is reliant on the continued support of the group in order to continue as a going concern and, following enquiry, the directors have confirmed that support from all relevant principal EF companies has been received for a period of at least 12 months from the date of approval of these financial statements and so the going concern basis of accounts preparation is considered to be appropriate.

EF Solutions (Services) Limited

Notes forming part of the financial statements (continued) for the year ended 30 September 2019

1 Accounting policies (continued)

Please note however, that there has been significant disruption to the global economy due to the ongoing impacts of Covid-19 the full impact of which cannot be determined with certainty. As seen across the global landscape, this ongoing event carries with it a material uncertainty that may impact the Company's future profitability. Therefore a material uncertainty exists which may cast significant doubt on the company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand, amounts due from group undertakings, trade creditors and amounts owed to group companies are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, directors have made the following judgements and estimations:

- Fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles, and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset, and projected disposal values.
- The estimate for receivables relates to the recoverability of the balances outstanding at the year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.
- The estimate for payables relates to the liabilities not settled at the year end. A review is performed on an individual creditor basis to consider the probability that the amount will be collected.

3 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

4 Operating profit

	2019 £	2018 £
This is stated after charging:		
Depreciation (note 8)	15,139	20,861
Auditor's remuneration: fees payable to company's auditor for audit of financial statements	9,841	9,137

EF Solutions (Services) Limited

Notes forming part of the financial statements (*continued*)
for the year ended 30 September 2019

5 Employees

	2019 Number	2018 Number
The average number of employees (excluding directors) employed by the company during the year was:		
Administrative	144	123
Staff costs for the above persons:	2019 £	2018 £
Wages and salaries	12,610,555	10,236,708
Social security costs	1,601,288	1,305,378
Cost of defined contribution scheme	307,138	161,409
	14,518,981	11,703,495

The directors received no remuneration during the year for services to the company (2018: £Nil).

6 Interest receivable/(payable) and similar charges

	2019 £	2018 £
Interest receivable and other income	4,901	2,531
Interest payable and similar expenses	(92)	-
	4,809	2,531

7 Taxation on profit on ordinary activities

	2019 £	2019 £	2018 £	2018 £
<i>UK Corporation tax</i>				
Current tax on profits for the year	240,657		148,812	
Adjustment in respect of previous periods	190		630	
Total current tax		240,847		149,442
<i>Deferred tax</i>				
Origination and reversal of timing differences	(3,927)		5,511	
Effect of changes in tax rates	413		(580)	
Adjustment in respect of previous periods			-	
		(3,514)		4,931
		237,333		154,373

EF Solutions (Services) Limited

Notes forming part of the financial statements (*continued*)
for the year ended 30 September 2019

7 Taxation on profit on ordinary activities (*continued*)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	1,030,494	764,774
Tax on profit or loss on ordinary activities at the standard rate of Corporation tax in the UK of 19.00% (2018: 19%)	195,794	145,307
Effects of:		
Non-deductible expenses	40,936	9,016
Tax rate differences	413	(580)
Adjustment to tax charge in respect of previous periods	190	630
Current tax charge for the year	237,333	154,373

8 Tangible fixed assets

	Computer equipment £	Fixtures fittings and equipment £	Vehicles £	Total £
<i>Cost</i>				
at 1 October 2018	45,990	17,184	58,625	121,799
Disposals	-	(4,133)	-	(4,133)
Additions	-	15,484	-	15,484
at 30 September 2019	45,990	28,535	58,625	133,150
<i>Depreciation</i>				
at 1 October 2018	31,790	1,691	58,625	92,106
Charge for the year	10,286	4,854	-	15,139
at 30 September 2019	42,076	6,545	58,625	107,245
<i>Net book value:</i>				
at 30 September 2019	3,914	21,990	-	25,905
at 30 September 2018	14,200	15,493	-	29,693

EF Solutions (Services) Limited

Notes forming part of the financial statements (*continued*) for the year ended 30 September 2019

9 Debtors

	2019	2018
	£	£
<i>Amounts receivable within one year</i>		
Amounts owed by group undertakings	2,806,309	2,620,518
Other debtors	192,114	121,930
Prepayments and accrued income	37,742	35,846
Deferred tax asset (note 11)	34,039	30,525
	<hr/>	<hr/>
	3,070,204	2,808,819
	<hr/>	<hr/>

All debtors are due within one year, with the exception of the deferred tax asset which is due in more than one year.

10 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	286,985	34,790
Amounts owed to parent and fellow subsidiary undertakings	628	500,000
Taxation and social security	260,534	234,639
Other creditors	58,645	57,494
Accruals and deferred income	1,052,074	945,532
Corporation tax payable	154,283	71,710
	<hr/>	<hr/>
	1,813,149	1,844,165
	<hr/>	<hr/>

11 Deferred taxation

The movement in the deferred taxation asset during the year was:

	2019	2018
	£	£
<i>Deferred taxation</i>		
Balance at 1 October 2018	30,525	35,456
(Credit)/charge to statement of income & retained earnings (note 7)	3,514	(4,931)
	<hr/>	<hr/>
Balance at 30 September 2019	34,039	30,525
	<hr/>	<hr/>

EF Solutions (Services) Limited

Notes forming part of the financial statements *(continued)*
for the year ended 30 September 2019

11 Deferred taxation *(continued)*

	2019	2018
	£	£
Deferred taxation consists of:		
Fixed asset timing differences	26,526	35,456
Short-term timing differences - trading	7,513	(4,931)
	<hr/>	<hr/>
	34,039	30,525
	<hr/>	<hr/>

12 Share capital

	2019	2018
	£	£
<i>Authorised, allotted, called up and fully paid</i>		
500 ordinary shares of £1 each	500	500
	<hr/>	<hr/>

13 Retained earnings

	Profit and loss account £
At 1 October 2018	1,014,371
Profit for the financial year	793,161
	<hr/>
At 30 September 2019	1,807,532
	<hr/>

15 Events after the balance sheet date

From the balance sheet date of 30 September, 2019 there has been significant disruption to the global economy due to the ongoing impacts of Covid-19. As seen across the global landscape, this ongoing event carries with it a material uncertainty that may raise doubt on the Company's future profitability, or ability to continue as a going concern. As at the date of finalizing these financial statements an estimate on the financial impact of Covid-19 on the Company cannot be made, however it may cast material uncertainties on the Company's ability to continue as a going concern in the next 12 months.

16 Related party transactions

The parent undertaking of the group which includes the company is EF Education BV. In the opinion of the directors, the ultimate controlling entity is EF ILC Group AG, a company incorporated at Haldenstrasse 4, CH-6006 Lucerne, Switzerland.