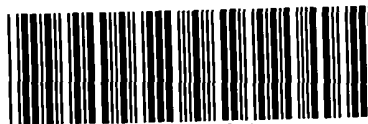


Sewell Education (York) Holdings Limited
Annual report and financial statements
for the year ended 31 December 2016

Registered Number 5204154

THURSDAY



A6A3KASJ

A12

06/07/2017

#165

COMPANIES HOUSE

Sewell Education (York) Holdings Limited

Annual report and financial statements for the year ended 31 December 2016

Contents

Directors' report for the year ended 31 December 2016	1
Independent auditors' report to the members of Sewell Education (York) Holdings Limited	5
Consolidated income statement for the year ended 31 December 2016	8
Consolidated and company statement of financial position as at 31 December 2016.....	9
Consolidated statement of changes in equity for the year ended 31 December 2016.....	10
Consolidated statement of cash flows for the year ended 31 December 2016.....	11
Notes to the financial statements for the year ended 31 December 2016	12

Sewell Education (York) Holdings Limited

Directors' report for the year ended 31 December 2016

The Company has taken exemption under Section 414B of the Companies Act 2006 from presenting a strategic report by virtue of the fact that the Company is small.

The directors present their annual report and the consolidated audited financial statements of the Company for the year ended 31 December 2016.

Principal activities

The Group's principal activity during the year was the facilities management of schools. The company also acts as a holding company.

Future developments

The Group will continue to operate a 30 year Private Finance Initiative Scheme to maintain three primary schools in York. The scheme achieved financial close in January 2005 with the schools becoming operational between October 2005 and April 2006.

Results and dividends

The Group's profit for the financial year ended 31 December 2016 was £289,709 (2015: £284,104).

The Company has net cash of £2,062,809 (2015: £1,905,660).

Dividends of £290,000 (2015: £237,000) were paid in the year. The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2016 (2015: £Nil). The profit for the financial year of £289,709 (2015: £284,104) has been added to reserves.

Directors

The directors who held office during the year and up to the date of the signing of this report are given below:

G B Atkins

J Cavill

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Company as a whole. Communication with all employees continues through in-house newsletters, team briefings, social media and an annual convention.

Sewell Education (York) Holdings Limited

Directors' report for the year ended 31 December 2016 (continued)

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs.

Due to the ongoing period of low interest rates, the Group has continued to adopt the policy of borrowing at fixed rates when refinancing. The board reviews this policy on a regular basis. Further to this the Group seeks to minimise the risk of uncertain funding in its operations by borrowing within a spread of maturity periods. The Group does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Group's finance department.

Price risk

The Group is exposed to commodity price risk as a result of its operations. However, given the size of the Company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits.

The directors will revisit the appropriateness of this policy should the Group's operations change in size or nature. The Group has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

The Group has implemented policies that require appropriate credit checks on potential customers before sales are made. Where debt finance is utilised, this is subject to pre-approval by the board of directors and such approval is generally limited to financial institutions with a B rating or better. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed regularly by the board.

Liquidity risk

The Group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the Group has sufficient available funds for operations and planned expansions.

Interest rate cash flow risk

The Group has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances which earn interest at variable rates and finance leases which are at fixed rates. In recent years the Group has changed to borrowing at fixed rates although it still has existing finance at variable rates. The directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

Sewell Education (York) Holdings Limited

Directors' report for the year ended 31 December 2016 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 prepared the Group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). 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 Group and the Company and of the profit or loss of the Group for that year. 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 and the Group 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 to 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.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who are directors at the time when this Directors' report was approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Group's auditors in connection with preparing their report and to establish that the Company and Group's auditors are aware of that information.

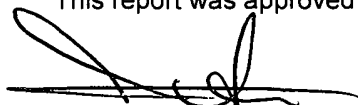
Sewell Education (York) Holdings Limited

Directors' report for the year ended 31 December 2016 (continued)

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.



G B Atkins

Director

21/6/17

Date

Sewell Education (York) Holdings Limited

Independent auditors' report to the members of Sewell Education (York) Holdings Limited

Report on the financial statements

Our opinion

In our opinion, Sewell Education (York) Holdings Limited's group financial statements and parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2016 and of the group's profit and cash flows 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.
-

What we have audited

The financial statements, included within the Annual report (the "Annual Report"), comprise:

- the consolidated and company statement of financial position as at 31 December 2016;
- the consolidated income statement for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Sewell Education (York) Holdings Limited

Independent auditors' report to the members of Sewell Education (York) Holdings Limited (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

Sewell Education (York) Holdings Limited

Independent auditors' report to the members of Sewell Education (York) Holdings Limited (continued)

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Peter Adams (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Hull

21 June 2017

Sewell Education (York) Holdings Limited

Consolidated income statement for the year ended 31 December 2016

		31 December 2016	31 December 2015
	Note	£	£
Turnover		838,219	1,382,041
Cost of sales		(688,890)	(1,247,084)
Gross profit		149,329	134,957
Administrative expenses		(149,329)	(134,957)
Operating result	2	-	-
Interest receivable and similar income	5	829,729	844,984
Interest payable and similar charges		(467,593)	(489,060)
Profit before taxation		362,136	355,924
Tax on profit	6	(72,427)	(71,820)
Profit for the financial year		289,709	284,104

All of the above results are derived from continuing operations.

The group has taken the exemption given under section 408 of the Companies Act 2006 to not disclose a company income statement.

There is no other comprehensive income for the financial year.

Sewell Education (York) Holdings Limited

Consolidated and company statement of financial position as at 31 December 2016

		Group 31 December 2016 £	31 December 2015 £	Company 31 December 2016 £	31 December 2015 £
	Note				
Fixed assets					
Investments	7	-	-	50,000	50,000
Current assets					
Debtors – falling due after more than		5,535,527	5,906,736	-	-
Debtors – falling due within one year	8	540,418	621,862	-	-
Cash at bank and in hand	9	2,062,809	1,905,660	-	-
		8,138,754	8,434,258	-	-
Creditors: amounts falling due within one year	10	(853,363)	(792,675)	-	-
Net current assets		7,285,391	7,641,583	-	-
Total assets less current liabilities		7,285,391	7,641,583	50,000	50,000
Creditors: amounts falling due after more than one year	11	(7,159,918)	(7,515,819)	-	-
Net assets		125,473	125,764	50,000	50,000
Capital and reserves					
Called up share capital	13	50,000	50,000	50,000	50,000
Retained earnings					
At 1 January		75,764	28,660	-	-
Profit for the year attributable to owners		289,709	284,104	-	-
Other changes in retained earnings		(290,000)	(237,000)	-	-
Retained earnings		75,473	75,764	-	-
Total equity		125,473	125,764	50,000	50,000

The financial statements on pages 8 to 24 were approved by the board of directors on 21/6/17 and were signed on its behalf by:

G B Atkins
Director

Registered number 5204154

Sewell Education (York) Holdings Limited

Consolidated statement of changes in equity for the year ended 31 December 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance as at 1 January 2015	50,000	28,660	78,660
Profit for the financial year	-	284,104	284,104
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	284,104	284,104
Dividends	-	(237,000)	(237,000)
Total transactions with owners, recognised directly in equity	-	(237,000)	(237,000)
Balance as at 31 December 2015	50,000	75,764	125,764
Profit for the financial year	-	289,709	289,709
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	289,709	289,709
Dividends	-	(290,000)	(290,000)
Total transactions with owners, recognised directly in equity	-	(290,000)	(290,000)
Balance as at 31 December 2016	50,000	75,473	125,473

Sewell Education (York) Holdings Limited

Consolidated statement of cash flows for the year ended 31 December 2016

		31 December 2016	31 December 2015
		£	£
Net cash from operating activities	14	532,663	397,483
Taxation paid		(71,818)	(58,706)
Net cash generated from operating activities		460,845	338,477
Cash flow from investing activities			
Interest received		829,729	844,984
Net cash used in investment activities		829,729	844,984
Cash flow from financing activities			
Repayment of loan		(375,832)	(382,133)
Dividends paid to owners of the parent		(290,000)	(237,000)
Interest paid		(467,593)	(489,060)
Net cash used in financing activities		(1,133,425)	(1,108,193)
Net increase in cash and cash equivalents		157,149	75,268
Cash and cash equivalents at the beginning of the year		1,905,660	1,830,092
Cash and cash equivalents at the end of the year		2,062,809	1,905,660

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2016

1 Accounting policies

General Information

Sewell Education (York) Holdings Limited ('the Company') and its subsidiary (together "the Group") operates the facilities management of schools.

The Company is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is Geneva Way, Leads Road, Hull, North Humberside, HU7 0DG.

Statement of compliance

The consolidated and company financial statements of Sewell Education (York) Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements are prepared on the going concern basis, in accordance with applicable UK Accounting Standards, under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in policy "Critical judgements and estimates in applying the accounting policies" below.

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

1 Accounting policies (continued)

Foreign currency

(i) Functional and presentation currency

The Company's financial statements are presented in pound sterling.

(ii) Transactions and balances

The company had had no foreign currency transactions or balances.

Turnover

Turnover represents amounts receivable under the finance lease contract in respect of the operation of the facilities. Income is allocated between turnover and reimbursement of finance debtor so as to generate a constant rate of return in respect of the finance lease debtor over the life of the contract. Turnover also comprises revenue recognised by the company in respect of services provided during the year, exclusive of Value Added Tax and trade discounts.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(ii) Deferred taxation

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and joint ventures, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

1 Accounting policies (continued)

(ii) Deferred taxation

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference. Deferred tax relating to investment property measured at fair value is measured using the tax rates and allowances that apply to sale of the asset.

Leases and hire purchase contracts

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(a) Company as a lessor

(i) Finance leased assets

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

(ii) Operating leased assets

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

(b) Company as a lessee

(i) Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Company's incremental borrowing rate is used. Incremental direct costs incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

1 Accounting policies (continued)

(ii) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Assets leased to customers under finance leases are deemed to be sold at fair value which is taken to turnover at the inception of the lease. Debtors under finance leases represent outstanding amounts due under these arrangements less finance income allocated to future years. Finance lease interest is recognised over the period of the lease so as to produce a constant rate of return on the net cash investment in the lease.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Distributions to equity holders

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

Related parties

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

1 Accounting policies (continued)

(i) Financial assets (continued)

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

Other financial assets, including investments in equity instruments which are not subsidiaries or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and amounts owed to fellow group companies 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 receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

1 Accounting policies (continued)

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements 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 to liability simultaneously.

Critical judgements and estimates in applying the accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

2 Turnover

The analysis of turnover by category:

	31 December 2016 £	31 December 2015 £
Maintenance of schools	838,219	803,684
Building of schools	-	578,357
	838,219	1,382,041

All turnover arose within the United Kingdom.

3 Auditors' remuneration

Services provided by the Group's auditor and its associates

During the year the Company obtained the following services from the Group's auditor and its associates:

	31 December 2016 £	31 December 2015 £
Audit Services		
Fees payable to Group auditor for the audit of the Group's financial statements	7,000	7,000
Fees payable to Group auditor for the audit of the Company's financial statements	1,000	1,000
Non-Audit Services		
Fees payable to the Group's auditor and its associates for other services:		
Tax services	1,500	1,500

4 Employee information

	31 December 2016 No.	31 December 2015 No.
The average monthly number (including executive directors) employed by the Company during the year was:		
Management and administration	2	2

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

4 Employee information (continued)

	31 December 2016 £	31 December 2015 £
The costs incurred in respect of these employees were:		
Wages and salaries	-	-
Social security costs	-	-
Other pension costs	-	-
	-	-

The company has no employees other than the directors who did not receive any remuneration (2015: £nil).

5 Interest

	31 December 2016 £	31 December 2015 £
Interest receivable and similar income		
Bank interest	6,040	4,366
Finance lease interest	823,689	840,618
	829,729	844,984
Interest payable and similar charges		
Bank loans and overdrafts	467,953	489,060

6 Tax on profit

(a) Tax expense included in profit or loss

	31 December 2016 £	31 December 2015 £
Current tax:		
UK corporation tax charge on profit for the year	72,427	71,820
Total current tax	72,427	71,820

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

6 Tax on profit on ordinary activities (continued)

(b) Reconciliation of tax charge

The tax assessed for the year is equal to (2015: lower than) the standard effective rate of corporation tax in the UK for the year ended 31 December 2016 of 20.0% (2015: 20.25%). The differences are explained below:

	31 December 2016 £	31 December 2015 £
Profit on ordinary activities before taxation		355,924
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.0% (2015: 20.25%)	72,427	72,075
Effects of:		
Marginal relief	-	(255)
Total tax expense for the year	72,427	71,820

Factors that may affect future tax charges

The tax rate for the current year is lower than the prior year due to changes in the UK Corporation tax rate which decreased from 21% to 20% from 1 April 2015.

The main rate of corporation tax reduced from 21% to 20% from 1 April 2015. Further reductions to the UK tax rate have been announced and will reduce the rate by 1% per annum to 17% by 2020. The change to 17% from 1 April 2020 was substantively enacted on 6 September 2016. As this had been substantively enacted at the balance sheet date, this rate has been applied to the financial statements and deferred tax has been measured at 17%.

7 Fixed asset investments

Company	Investments in subsidiary companies £
Cost	
At 1 January 2016 and 31 December 2016	50,000
Net book value	
At 31 December 2016	50,000
At 31 December 2015	50,000

The directors believe that the carrying value of the investment is supported by its underlying net assets.

The investment held is in Sewell Education (York) Limited which is a wholly owned subsidiary, whose registered address is the same as Sewell Education (York) Holdings Limited.

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

8 Debtors

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Amounts falling due after more than one year				
Amounts recoverable under finance loans	5,535,527	5,906,736	-	-
Amounts falling due within one year				
Amounts recoverable under finance leases	436,283	559,318	-	-
Trade debtors	95,141	-	-	-
Prepayments and accrued income	8,994	62,544	-	-
	540,418	621,862	-	-

9 Cash at bank and in hand

Included in cash at bank and in hand are amounts restricted for future use by each project's FM provider (lifecycle maintenance reserve account).

	2016 £	2015 £
Maintenance reserve account	531,454	529,721
	531,454	529,721

10 Creditors – Amounts falling due within one year

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Bank loans and overdrafts	355,902	375,833	-	-
Trade creditors	351,531	334,790	-	-
Other creditors	73,501	10,232	-	-
Corporation tax	72,429	71,820	-	-
	853,363	792,675	-	-

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

11 Creditors – Amounts falling due after more than one year

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Bank loans and overdrafts	7,159,918	7,515,819	-	-

12 Loans and other borrowings

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Bank loans and overdrafts	7,495,820	7,891,652	-	-

Interest is charged on the bank loan of 5.92%. The bank loan is repayable by 30 September 2034 and is secured by a fixed and floating charge over the assets of the company. The bank loan is disclosed in the financial statements net of arrangement fees of £100,496 (2015: £106,406) with £5,910 (2015: £5,910) allocated within one year and £94,586 (2015: £100,496) over one year.

The maturity analysis of the bank loan is:

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Within one year	355,902	375,833	-	-
Between one and five years	1,306,140	1,354,328	-	-
Over five years	5,853,778	6,161,291	-	-
	7,515,820	7,891,652	-	-

13 Called up share capital

	2016 £	2015 £
Authorised		
500,000 (2015: 500,000) ordinary shares of 10p each	50,000	50,000
Allotted, issued, called up and fully paid		
500,000 (2015: 500,000) ordinary shares of 10p each	50,000	50,000

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

14 Notes to the cash flow statement

	2016 £	2015 £
Profit for the financial year	289,709	284,104
Adjustments for:		
Tax on profit on ordinary activities	(72,427)	71,820
Net interest received	(362,136)	(355,924)
Operating profit	-	-
Working capital movements:		
Decrease in debtors	452,653	536,745
(Decrease)/increase in payables	80,010	(139,262)
Cash flow from operating activities	532,663	397,483

Analysis of changes in net debt

	At 1 January 2016 £	Cash flows £	Non-cash changes £	At 31 December 2016 £
Cash at bank and in hand	1,905,660	157,149	-	2,062,809
Cash and cash equivalents				
Bank loans	(7,891,652)	375,832	-	(7,515,820)

15 Dividends

	2016	2015
Dividends on equity shares:		
Final dividend paid (2015: Final)	290,000	237,000

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

16 Related party transactions

In accordance with the exemption available under Section 33.1A 'Related Party Disclosures', transactions with other Group undertakings have not been disclosed in these financial statements.

Transactions between the Company and joint ventures of Sewell Ventures Limited during the year were as follows:

Name of company	Type of transaction	31 December 2016		31 December 2015	
		Purchase amount £	Balance due £	Purchase amount £	Balance due £
Sewell Facilities Management Limited	Facilities management services	692,344	97,424	672,953	67,809
Sewell Construction	Building works	-	-	513,957	-

The address of Sewell Facilities Management Limited and Sewell Construction Limited is Geneva Way, Leads Road, Hull, HU7 0DG.

17 Controlling parties

Sewell Education (York) Holdings Limited is jointly controlled by Sewell Group Limited whose ultimate parent company is Sewell Ventures Limited and PFI Infrastructure Finance Limited whose ultimate parent is BIIF, a company incorporated in England and Wales.

18 Subsidiaries and related undertakings

Company name	Country of incorporation	Nature of business	Interest
Sewell Education (York) Limited	England and Wales	Facilities management of schools	100%