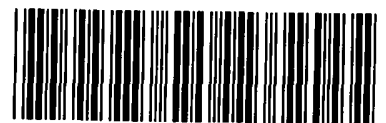


Sewell Education (York) Holdings Limited
Annual report and financial statements
for the year ended 31 December 2021

Registered Number 5204154

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Sewell Education (York) Holdings Limited

Annual report and financial statements for the year ended 31 December 2021

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Sewell Education (York) Holdings Limited

Directors' report for the year ended 31 December 2021

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

The directors present their annual report and the consolidated audited financial statements of the Group for the year ended 31 December 2021.

Principal activities

The Group's principal activity during the year was the facilities management of schools.

The Company's principal activity is that of a non-trading 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 2021 was £589,450 (2020: £587,531).

The Group has net cash of £1,179,426 (2020: £1,392,767).

Dividends of £594,000 (2020: £586,000) were paid in the year. The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2021 (2020: £Nil).

Directors

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

J I Cavill

D A Leedham

Sewell Education (York) Holdings Limited

Directors' report for the year ended 31 December 2021 (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; 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 and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditors

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 auditor is 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 Company and Group's auditor in connection with preparing their report and to establish that the Company and Group's auditor is aware of that information.

Covid-19

During the financial year and continuing post year end, there has been a global Covid-19 pandemic which has impacted on all areas and sectors including the facilities management of schools. The Group is continuing to operate, implementing the necessary business continuity procedures however the nature of the Group's income streams means the impact has been minimal. The Group is monitoring the business risks associated with the pandemic. The directors ensure that they continuously monitor and respond to Government advice on safe working practices.

Sewell Education (York) Holdings Limited

Directors' report for the year ended 31 December 2021 (continued)

Post balance sheet events

February 2022 saw Russia invade Ukraine which has caused significant uncertainty in all sectors including the operation of health facilities in the UK. The Group's ability to trade has not been materially impacted by the conflict and as such the directors regard it as a non-adjusting post balance sheet event and no adjustments have been made to the financial statements at 31 December 2021.

Independent auditors

Under section 487(2) of the Companies Act 2006, RSM UK Audit 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 has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

This report was approved by the board of directors on 30 August 2022 and signed on behalf of the board by:



D A Leedham
Director

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

Opinion

We have audited the financial statements of Sewell Education (York) Holdings Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise consolidated income statement, consolidated and company statement of financial position, consolidated and company statements of changes in equity, consolidated statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group and parent 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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 group's and the parent 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 group or the parent 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

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

The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The group audit engagement team identified the risk of management override of controls and the risk of fraud in revenue recognition as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to;

- testing manual journal entries and other adjustments and evaluating the business rationale,
- challenging judgements and estimates made by management in relation to significant, unusual transactions and transactions entered into outside the normal course of business,
- performing substantive analytical review procedures over revenue to obtain evidence in respect of existence and performing a review of the appropriate application of the group's revenue recognition accounting policy.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

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

RSM UK Audit LLP

Richard Lewis (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Two Humber Quays
Wellington Street West
Hull
HU1 2BN

✓ September 2022

Sewell Education (York) Holdings Limited

Consolidated income statement for the year ended 31 December 2021

		31 December 2021	31 December 2020
	Note	£	£
Turnover	2	938,212	912,039
Cost of sales		(778,952)	(757,088)
Gross profit		159,260	154,951
Administrative expenses		(159,262)	(154,956)
Operating loss		(2)	(5)
Interest receivable and similar income	5	1,091,869	1,109,259
Interest payable and similar expenses	5	(364,151)	(383,907)
Profit before taxation		727,716	725,347
Tax on profit	6	(138,266)	(137,816)
Profit for the financial year		589,450	587,531

Sewell Education (York) Holdings Limited

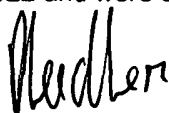
Consolidated and company statement of financial position as at 31 December 2021

		Group 31 December 2021 £	31 December 2020 £	Company 31 December 2021 £	31 December 2020 £
	Note				
Fixed assets					
Investments	7	-	-	50,000	50,000
Current assets					
Debtors: amount falling due within one year	8	285,451	285,385	-	-
Debtors: amounts falling due after more than one year	8	5,178,514	5,304,032	-	-
Cash at bank and in hand	10	1,179,426	1,392,767	-	-
		6,643,391	6,982,184	-	-
Creditors: amounts falling due within one year	11	(887,241)	(927,733)	-	-
Net current assets		5,756,150	6,054,451	-	-
Total assets less current liabilities		5,756,150	6,054,451	50,000	50,000
Creditors: amounts falling due after more than one year	12	(5,559,934)	(5,853,685)	-	-
Net assets		196,216	200,766	50,000	50,000
Capital and reserves					
Called up share capital	14	50,000	50,000	50,000	50,000
Retained earnings					
At 1 January		150,766	149,235	-	-
Profit for the year attributable to owners		589,450	587,531	-	586,000
Dividends paid		(594,000)	(586,000)	-	(586,000)
Retained earnings		146,216	150,766	-	-
Total equity		196,216	200,766	50,000	50,000

The Company has taken the exemption given under section 408 of the Companies Act 2006 to not disclose a Company income statement and related notes as it prepares group accounts. The company's profit for the year was £594,000 (2020: £586,000).

The financial statements on pages 8 to 22 were approved by the board of directors and authorised for issue On 30 August 2022 and were signed on its behalf by:

D A Leedham
Director



Registered number 5204154

Sewell Education (York) Holdings Limited

Consolidated statement of changes in equity for the year ended 31 December 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance as at 1 January 2020	50,000	149,235	199,235
Profit for the financial year	-	587,531	587,531
Dividends	-	(586,000)	(586,000)
Balance as at 31 December 2020	50,000	150,766	200,766
Profit for the financial year	-	589,450	589,450
Dividends	-	(594,000)	(594,000)
Balance as at 31 December 2021	50,000	146,216	196,216

Company statement of changes in equity for the year ended 31 December 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance as at 1 January 2020	50,000	-	50,000
Profit for the financial year	-	586,000	586,000
Dividends	-	(586,000)	(586,000)
Balance as at 31 December 2020	50,000	-	50,000
Profit for the financial year	-	594,000	594,000
Dividends	-	(594,000)	(594,000)
Balance as at 31 December 2021	50,000	-	50,000

Sewell Education (York) Holdings Limited

Consolidated statement of cash flows for the year ended 31 December 2021

		31 December 2021	31 December 2020
		£	£
Net cash from operating activities	15	98,271	(32,964)
Taxation paid		(137,816)	(138,633)
Net cash (used in) operating activities		(39,545)	(171,597)
Cash flow from investing activities			
Interest received		1,091,869	1,109,259
Net cash generated from investing activities		1,091,869	1,109,259
Cash flow from financing activities			
Repayment of loan		(307,514)	(315,132)
Dividends paid to owners of the parent		(594,000)	(586,000)
Interest paid		(364,151)	(383,907)
Net cash used in financing activities		(1,265,665)	(1,285,039)
Net decrease in cash and cash equivalents		(213,341)	(347,377)
Cash and cash equivalents at the beginning of the year		1,392,767	1,740,144
Cash and cash equivalents at the end of the year		1,179,426	1,392,767

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2021

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 United Kingdom. The address of its registered office is Geneva Way, Leads Road, Hull, North Humberside, HU7 0DG.

Basis of accounting

The consolidated and company financial statements of Sewell Education (York) Holdings Limited have been prepared in accordance with United Kingdom Accounting Standards; 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.

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

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.

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 Group 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.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Group and each of its subsidiary undertakings made up to 31 December. Advantage has been taken of the exemption available under section 408 of the Companies Act 2006 to not present a statement of income and retained earnings for the Company alone.

Going concern

The financial statements have been prepared on a going concern basis as the Group balance sheet shows a net asset position and the group continues to trade at least in line with the financial model which shows the contract being profitable and cash generative over its life. The directors have also prepared cash flow forecasts which indicate that the company has sufficient resources to meet its working capital requirements for a period of at least 12 months from the date of the approval of the financial statements.

The ongoing Covid-19 pandemic has continued to create a challenge for the Group although it has had minimal impact on the Group's ability to trade. The Group has produced cash flow forecasts up to 31 December 2024 which confirm that the Group has adequate resources to meet its borrowing requirements and to continue in operational existence for the period and as such the Directors believe it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Exemptions for qualifying entities under FRS102

FRS102 allows a qualifying entity certain disclosure exemptions if certain conditions have been complied with, including notification of and no objections to the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated.

As a qualifying company, the entity has taken advantage of the following exemptions:

- from the requirement to prepare a statement of cash flows as required by FRS102 section 7;

Functional and presentational currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

The Group and Company 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.

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.

(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.

Leases

At inception the Group 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) Group as a lessor

(i) Finance leased assets

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group'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 Group's net investment outstanding in respect of the leases.

(ii) 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.

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

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.

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 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.

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.

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.

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 and bank loans 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.

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Financial instruments (continued)

(ii) Financial liabilities (continued)

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.

(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 Group 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.

Management is of the opinion that no critical accounting estimates have been made in the preparation of these financial statements.

Key areas of judgement

Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the group as lessee, or the lessee where the group is a lessor.

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

2 Turnover

The analysis of turnover by category:

	2021 £	2020 £
Maintenance of schools	938,212	912,039

All turnover arose within the United Kingdom.

3 Auditors' remuneration

	2021 £	2020 £
Audit Services		
Fees payable to Group auditor for the audit of the Group's financial statements	8,000	8,000
Fees payable to Group auditor for the audit of the Company's financial statements	2,000	2,000

4 Employee information

	2021 No.	2020 No.
The average monthly number (including executive directors) employed by the Group and Company during the year was:		
Management and administration	2	2

The company has no employees other than the directors who did not receive any remuneration (2020: £nil).

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

5 Interest

	2021 £	2020 £
Interest receivable and similar income		
Bank interest	221	6,174
Finance lease interest	1,091,648	1,103,085
	1,091,869	1,109,259
Interest payable and similar expenses		
Bank loans	364,151	383,907

6 Tax on profit

(a) Tax charge included in profit or loss

	2021 £	2020 £
Current tax:		
UK corporation tax charge on profit for the year	138,266	137,816
Total current tax	138,266	137,816

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

6 Tax on profit (continued)

(b) Reconciliation of tax charge

The tax assessed for the year is equal to (2020: equal) the standard effective rate of corporation tax in the UK for the year ended 31 December 2021 of 19% (2020: 19%). The differences are explained below:

	31 December 2021 £	31 December 2020 £
Profit before taxation	727,716	725,347
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	138,266	137,816
Effects of:		
Expenses not deductible for tax purposes	-	-
Total tax charge for the year	138,266	137,816

Factors that may affect future tax charges

The Chancellor of the Exchequer delivered his Budget to Parliament on 3 March 2021 in which he confirmed that the corporation tax rate would increase from the current rate of 19% from 1 April 2023 for companies with profits greater than £50,000. Therefore, the rate at which deferred tax balances are provided is likely to increase in future financial statements from the current 19% to 25%. As the rate that had been substantively enacted at the balance sheet date was 25%, deferred tax has been provided for in this set of financial statements at that rate.

7 Investments

Company	Investments in subsidiary companies £
Cost	
At 1 January 2021 and 31 December 2021	50,000
Net carrying amount	
At 31 December 2021	50,000
At 31 December 2020	50,000

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

The company owns 100% of the Ordinary share capital in Sewell Education (York) Limited, whose registered address is the same as Sewell Education (York) Holdings Limited and whose business is the facilities management of schools.

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

8 Debtors

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Amounts falling due within one year				
Trade debtors	133,400	133,400	-	-
Amounts recoverable under finance leases	68,188	75,741	-	-
Prepayments and accrued income	83,863	76,244	-	-
	285,451	285,385	-	-
Amounts falling due after more than one year				
Amounts recoverable under finance leases	5,178,514	5,304,032	-	-

9 Finance lease debtors

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Gross amounts receivable under finance leases				
Within one year	68,188	75,741	-	-
In the second to fifth years inclusive	201,056	254,075	-	-
After five years	4,977,458	5,049,957	-	-
	5,246,702	5,379,773	-	-

10 Cash at bank and in hand

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

	Group 2021 £	Group 2020 £
Maintenance reserve account	536,501	536,501
	536,501	536,501

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

11 Creditors: amounts falling due within one year

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Bank loans	293,752	307,515	-	-
Trade creditors	400,118	363,270	-	-
Corporation tax	138,266	137,816	-	-
Other creditors	55,105	119,132	-	-
	887,241	927,733	-	-

12 Creditors: amounts falling due after more than one year

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Bank loans	5,559,934	5,853,685	-	-

13 Loans and other borrowings

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Bank loans and overdrafts	5,853,686	6,161,200	-	-

Interest is charged on the bank loan of 5.92% (2020:5.92%). 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 £70,946 (2020: £76,856) with £5,910 (2020: £5,910) allocated within one year and £65,036 (2020: £70,946) over one year.

The maturity analysis of the bank loan is:

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Within one year	293,752	307,515	-	-
Between one and five years	1,366,243	1,140,121	-	-
Over five years	4,193,691	4,713,564	-	-
	5,853,686	6,161,200	-	-

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

14 Called up share capital

	2021 £	2020 £
Authorised		
500,000 (2020: 500,000) ordinary shares of 10p each	50,000	50,000
Allotted, issued, called up and fully paid		
500,000 (2020: 500,000) ordinary shares of 10p each	50,000	50,000

15 Notes to the cash flow statement

	2021 £	2020 £
Profit for the financial year	589,450	587,531
Adjustments for:		
Tax on profit on ordinary activities	138,266	137,816
Net interest received	(727,718)	(725,352)
Operating loss	(2)	(5)
Working capital movements:		
Decrease/(increase) in debtors	125,452	(36,892)
(Decrease)/increase in creditors	(27,179)	3,933
Cash flow from operating activities	98,271	(32,964)

Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	Non-cash changes £	At 31 December 2021 £
Cash at bank and in hand	1,392,767	(213,341)	-	1,179,426
Cash and cash equivalents				
Bank loans (note 13)	(6,161,200)	313,424	(5,910)	(5,853,686)
Total net debt	(4,768,433)	100,083	(5,910)	(4,674,260)

Sewell Education (York) Holdings Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

16 Dividends

	2021	2020
	£	£
Dividends on equity shares:		
Final dividend paid (2020: Final)	594,000	586,000

17 Related party transactions

Transactions between the Group and its related parties during the year were as follows:

Nature of relationship	Type of transaction	31 December 2021		31 December 2020	
		Amount £	Balance due £	Amount £	Balance due £
Subsidiary of ultimate parent undertaking	Facilities management services	792,244	71,705	840,593	-

18 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 L.P. a company incorporated in England and Wales.

19 Post balance sheet events

February 2022 saw Russia invade Ukraine which has caused significant uncertainty in all sectors including the operation of health facilities in the UK. The Group's ability to trade has not been materially impacted by the conflict and as such the directors regard it as a non-adjusting post balance sheet event and no adjustments have been made to the financial statements at 31 December 2021.