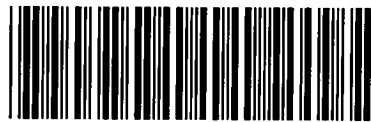


## **Eton Online Ventures Limited**

Registered in England and Wales Company Number 08415323

### **Annual report and financial statements for the year ended 31 August 2017**

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# **Eton Online Ventures Limited**

## **Annual report and financial statements for the year ended 31 August 2017**

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# **Eton Online Ventures Limited**

## **Officers and professional advisers**

### **Directors**

Dr Andrew Gailey  
Serena Hedley-Dent  
Janet Walker  
Mr Mark Esiri (appointed 8 May 2017)

### **Secretary**

Catherine Taylor

### **Key management personnel**

Percy Harrison, CEO

### **Registered and principal office**

Eton College  
Eton  
Windsor  
Berkshire  
SL4 6DJ

### **Bankers**

Barclays Bank PLC  
8 High Street  
Eton  
Windsor  
Berkshire  
SL4 6AU

### **Auditor**

Crowe Clark Whitehill LLP  
St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

# **Eton Online Ventures Limited**

## **Directors' report for the year ended 31 August 2017**

The directors present their annual report and the audited financial statements of the company for the year ended 31 August 2017. This Directors' Report has been prepared in accordance with the provisions applicable to small companies entitled to the small companies' exemption.

### **Principal activities**

Eton Online Ventures Limited is a trading subsidiary wholly owned by Eton College. Its primary activity is to pursue commercial educational initiatives with an online element. It holds an investment in EtonX Limited, which was initially held as a 50% owned joint venture. On 1 September 2017, the company acquired the remaining 50% share capital in EtonX Limited for consideration of £1. EtonX is an early stage business exploring soft skills education for high school students.

### **Results for the year and future prospects**

The company's trading results are set out in the profit and loss account on page 6. The loss for the year before taxation was £2,462,961 (2016: loss of £1,589). During the year EtonX Limited took the strategic decision to cease trading in China, and as a result all the investment made prior to 31 August 2017 has been fully provided for in the profit and loss account.

Since August 2017, the Company has received further investment from its parent, Eton College, which it has invested in EtonX Limited, providing sufficient funding for the completion of a pilot phase of EtonX's new business model.

Following successful completion of the pilot in December 2017, further investment has been approved by Eton College which will also be invested in EtonX Limited. The Directors are optimistic that EtonX Limited's new business model will prove to be a success and that the Company will return to profitability in the short to medium term.

### **Directors**

The current directors who served throughout the financial year and up to the date of this report are as shown on page 1.

### **Going concern**

The company's results for the year and future prospects are noted above. The company had closing net liabilities of £19,548 (2016 net assets: £1,348,413).

The Company is supported by its parent, Eton College. Eton College has no intention of recalling its intercompany debt until such a time that the Company has adequate net assets to support such a repayment.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. No material uncertainties in relation to the ability of the company to continue on a going concern basis have been identified by the directors. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

### **Directors' responsibilities statement**

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 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:

# **Eton Online Ventures Limited**

## **Directors' report for the year ended 31 August 2017 (continued)**

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

### **Directors' responsibilities statement(continued)**

- 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.

### **Statement of disclosure of information to auditors**

The directors of the company who held office at the date of approval of this Directors' Report confirm that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by the Companies Act 2006.

### **Auditor**

Crowe Clark Whitehill LLP have indicated their willingness to be reappointed as the company's auditor for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

By order of the board



Janet Walker

**Director**

Date: 29 January 2018

# Eton Online Ventures Limited

## Independent Auditor's Report to the Members of Eton Online Ventures Limited

### Opinion

We have audited the financial statements of Eton Online Ventures Limited for the year ended 31 August 2017 which comprise the Profit and Loss Account, the Balance Sheet and 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).

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.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2017 and of its loss 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### 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.

# Eton Online Ventures Limited

## Independent Auditor's Report to the Members of Eton Online Ventures Limited (continued)

**Opinion on other matter prescribed by the Companies Act 2006** In our opinion based on the work undertaken in the course of our 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 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 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 company; 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and from the requirement to prepare a strategic report.

### 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.

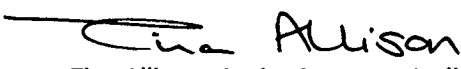
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

  
**Tina Allison - Senior Statutory Auditor**  
For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
St Bride's House,  
10 Salisbury Square, London, EC4Y 8EH

15 February 2018

## Eton Online Ventures Limited

### Profit and loss account for the year ended 31 August 2017

	Notes	2017 £	2016 £
Other income		97,644	141,279
Cost of sales		(2,536,886)	(140,207)
Gross (loss)/ profit		(2,439,242)	1,072
Administrative expenses		(23,719)	(2,661)
Loss before tax	3	(2,462,961)	(1,589)
Taxation		-	-
Loss after tax		(2,462,961)	(1,589)

The notes on pages 8 to 10 form part of these financial statements.



# Eton Online Ventures Limited

## Balance sheet at 31 August 2017

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Investment in joint venture	5	-	1,150,001
<b>Current assets</b>			
Debtors	6	22,575	57,317
Cash at bank and in hand		244,322	317,167
<b>Total current assets</b>		<b>266,897</b>	<b>374,484</b>
Creditors - amounts falling due within one year	7	(286,445)	(176,072)
<b>Net current (liabilities)/ assets</b>		<b>(19,548)</b>	<b>198,412</b>
<b>Total net (liabilities)/ assets</b>		<b>(19,548)</b>	<b>1,348,413</b>
<b>Capital and reserves</b>			
Called up share capital	8	2,447	1,352
Share premium account	9	2,442,555	1,348,650
Profit and loss account	9	(2,464,550)	(1,589)
<b>Shareholders' funds</b>	9	<b>(19,548)</b>	<b>1,348,413</b>

The notes on pages 8 to 10 form part of these financial statements.

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

The financial statements of Eton Online Ventures Limited, registered number 08415323, were authorised for issue and approved by the board of directors on 29 January 2018



Janet Walker  
Director

# **Eton Online Ventures Limited**

## **Notes to the financial statements for the year ended 31 August 2017**

### **1 Company information**

Eton Online Ventures Limited is a private company limited by shares and registered in England and Wales (company number 08415323). The address of the registered office is Eton College, Eton, Windsor, Berkshire SL4 6DJ.

### **2 Accounting policies**

#### **Basis of preparation of financial statements**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 ('FRS 102') Section 1A Small Entities, and with Companies Act 2006. The financial statements have been prepared on the historical cost convention.

#### **Basis of Consolidation**

EtonX Limited, registered number 09624046, is a wholly owned subsidiary of Eton Online Ventures Limited. Consolidated financial statements have not been prepared as the inclusion of the subsidiary is not material for the purpose of giving a true and fair view.

#### **Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Going concern**

The financial statements have been prepared on the going concern basis. The directors' considerations in relation to going concern are included in the Directors' Report.

#### **Turnover**

This represents the proceeds, excluding VAT, for providing services to EtonX Limited and any other associated costs.

#### **Investments**

Investments are held at cost less any accumulated impairment losses where necessary.

#### **Financial instruments**

Eton Online Ventures Limited has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand and trade debtors. Financial liabilities held at amortised cost comprise inter-company balances.

#### **Debtors**

Trade debtors are recognised at the settlement amount and measured at the transaction value.

#### **Creditors**

Financial liabilities, including amount due to parent undertaking and accruals, are measured at transaction value.

# Eton Online Ventures Limited

## Notes to the financial statements for the year ended 31 August 2017 (continued)

### 3 Loss before tax

	2017 £	2016 £
<b>Loss before tax is stated after charging:</b>		
Impairment provision on investment in subsidiary undertaking	2,440,001	-
Auditor's remuneration:		
Fees payable to the company's auditor for:		
- the audit of the company's annual accounts	1,500	900
- Other services	2,000	1,750

### 4 Directors and employees

No director received any remuneration during the year for services to the company (2016: £nil). The directors are remunerated by Eton College for their services to the group.

The company has no employees (2016: none).

### 5 Investment in subsidiary/ joint venture

	2017 £	2016 £
Investment in EtonX Limited	-	1,150,001

On the 1 September 2016 the company purchased the remaining 50% share capital of EtonX Limited, making it a wholly owned subsidiary. The investment in EtonX limited has been fully provided against in the year.

### 6 Debtors – amounts falling due within one year

	2017 £	2016 £
Amounts due from subsidiary	22,575	-
Amount due from joint venture	-	57,317
	22,575	57,317

### 7 Creditors – amounts falling due within one year

	2017 £	2016 £
Amount due to parent undertaking	282,945	174,172
Accruals	3,500	1,900
	286,445	176,072

Amounts due to the parent undertaking are unsecured, interest free and repayable on demand.

## Eton Online Ventures Limited

### Notes to the financial statements for the year ended 31 August 2017 (continued)

#### 8 Called up share capital

	2017 £	2016 £
Called up, allotted and fully paid		
2,447 (2016: 1,352) ordinary shares of £1 each	2,447	1,352

#### 9 Reconciliation of shareholders' funds/(deficit) and statement of movement in reserves

	Share capital £	Share premium account £	Profit and loss account £	2017 Total £
Balance brought forward	1,352	1,348,650	(1,589)	1,348,413
Issued in the year	1,095	1,093,905	-	1,095,000
Loss for the year	-	-	(2,462,961)	(2,462,961)
Closing shareholders' funds	2,447	2,442,555	(2,464,550)	(19,548)

#### 10 Related party transactions

The company is wholly owned by its parent undertaking. The company has therefore taken advantage of the exemption provided in FRS 102 'Related Party Transactions' not to disclose related party transactions with other group members.

#### 11 Post balance sheet events

Since 31 August 2017, the Company has secured further investment from Eton College, its parent undertaking, which it will invest in EtonX Limited.

#### 12 Ultimate parent and controlling party

The directors regard Eton College as the parent and ultimate controlling party due to its 100% interest in the share capital of the company. Eton College heads the smallest and largest group for which consolidated accounts are prepared. Copies of the parent's consolidated financial statements are available on the Charity Commission website under registered charity number 1139086. The registered address of Eton College is Eton College, Eton, Windsor, Berkshire SL4 6DW.