

# Chesterton Education Limited

Financial Statements

For Filing with Registrar

For the year ended 31 August 2019



# Chesterton Education Limited

## Company Information

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<b>Directors</b>	Mark Malley Jerry Stover Steven Wade
<b>Company number</b>	10581835
<b>Registered office</b>	2nd Floor St Albans House 57-59 Haymarket London England SW1Y 4QX
<b>Auditors</b>	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

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# Chesterton Education Limited

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# Chesterton Education Limited

## Balance Sheet

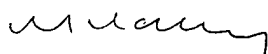
As at 31 August 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	3	4,373,849		4,622,600	
Tangible assets	4	205,140		139,758	
		<u>4,578,989</u>		<u>4,762,358</u>	
<b>Current assets</b>					
Debtors	6	226,543		212,018	
Cash at bank and in hand		407,890		738,017	
		<u>634,433</u>		<u>950,035</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(3,684,261)</u>		<u>(4,857,688)</u>	
Net current liabilities		(3,049,828)		(3,907,653)	
<b>Total assets less current liabilities</b>		<u>1,529,161</u>		<u>854,705</u>	
<b>Provisions for liabilities</b>	8	<u>(21,943)</u>		<u>(14,878)</u>	
<b>Net assets</b>		<u><u>1,507,218</u></u>		<u><u>839,827</u></u>	
<b>Capital and reserves</b>					
Called up share capital	9	100		100	
Profit and loss reserves		1,507,118		839,727	
<b>Total equity</b>		<u><u>1,507,218</u></u>		<u><u>839,827</u></u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 20th July 2020 and are signed on its behalf by:



Mark Malley  
Director

Company Registration No. 10581835

# Chesterton Education Limited

## Notes to the Financial Statements

For the year ended 31 August 2019

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### 1 Accounting policies

#### Company information

Chesterton Education Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2nd Floor, St Albans House, 57-59 Haymarket, London, England, SW1Y 4QX.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The company has net current liabilities on its balance sheet of £3,049,828 and net assets of £1,507,218. The parent company, Bellevue Schools Group Limited, has confirmed it will continue to provide financial support as required.

The directors have considered the company's forecasts and projections and have taken account of pressures on fee income, particularly in the light of the impact of the COVID-19 pandemic which occurred before these financial statements were approved. After making enquiries the directors have concluded that there is a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. Therefore, these accounts have been prepared on the going concern basis.

#### 1.3 Turnover

Turnover represents the value of fees charged for educational and other related services delivered to pupils of the school in the accounting year, net of discounts.

#### 1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years. This term is chosen because the investment is in a durable asset, i.e. school land and buildings, and that we expect the market for the school to continue, at least, for that period of time.

# Chesterton Education Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 August 2019

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### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	5 years
Motor vehicles	5 years
IT equipment	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# Chesterton Education Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 August 2019

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

#### **1.9 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.10 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

Tax losses are transferred between companies within the group at no charge.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# Chesterton Education Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 August 2019

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### 1 Accounting policies

(Continued)

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 79 (2018: 67).



# Chesterton Education Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 August 2019

### 3 Intangible fixed assets

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 September 2018 and 31 August 2019	4,974,997
<b>Amortisation and impairment</b>	
At 1 September 2018	352,397
Amortisation charged for the year	248,751
At 31 August 2019	601,148
<b>Carrying amount</b>	
At 31 August 2019	4,373,849
At 31 August 2018	4,622,600

### 4 Tangible fixed assets

	<b>Land and buildings £</b>	<b>Plant and machinery etc £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 September 2018	5,029	160,644	165,673
Additions	30,935	87,693	118,628
At 31 August 2019	35,964	248,337	284,301
<b>Depreciation and impairment</b>			
At 1 September 2018	84	25,831	25,915
Depreciation charged in the year	2,237	51,009	53,246
At 31 August 2019	2,321	76,840	79,161
<b>Carrying amount</b>			
At 31 August 2019	33,643	171,497	205,140
At 31 August 2018	4,945	134,813	139,758

# Chesterton Education Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 August 2019

### 5 Subsidiaries

Details of the company's subsidiaries at 31 August 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	Direct
Buern Abbey Junior School Limited	England and Wales	Education	Ordinary	100.00	-
Buern Abbey School Limited	England and Wales	Education	Ordinary	100.00	-

### 6 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	93,118	38,287
Amounts due from group undertakings	80	-
Other debtors	65,275	173,731
	<u>158,473</u>	<u>212,018</u>
<b>Amounts falling due after more than one year:</b>		
Other debtors	68,070	-
	<u>68,070</u>	<u>-</u>
<b>Total debtors</b>	<u>226,543</u>	<u>212,018</u>

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

	2019 £	2018 £
Trade creditors	36,703	73,835
Amounts due to group undertakings	2,808,168	2,321,781
Corporation tax	-	60,634
Other taxation and social security	49,087	61,484
Other creditors	790,303	2,339,954
	<u>3,684,261</u>	<u>4,857,688</u>

### 8 Provisions for liabilities

	2019 £	2018 £
Deferred tax liabilities	<u>21,943</u>	<u>14,878</u>

# Chesterton Education Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 August 2019

### 9 Called up share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

### 10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Shivani Kothari.

The auditor was Moore Kingston Smith LLP.

### 11 Financial commitments, guarantees and contingent liabilities

Certain assets and property are secured by a legal fixed charge under the external group funding.

### 12 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019 £	2018 £
Within one year	504,792	427,023
Between two and five years	2,161,047	2,000,718
In over five years	1,176,665	1,500,000
	<u>3,842,504</u>	<u>3,927,741</u>

### 13 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 102 section 33.1A from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

Included in other debtors is £490 (2018: £116,679) due from J Stover the director.

# Chesterton Education Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 August 2019

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### **14 Immediate parent undertaking and ultimate controlling party**

The immediate parent undertaking is Bellevue Schools Group Limited, a company incorporated in England and Wales.

The intermediate parent undertaking of Chesterton Education is GEMS Beta Holdco Limited, a company incorporated in England and Wales. GEMS Beta Holdco Limited is the smallest group for which consolidated financial statements are prepared and these financial statements are included in those consolidated financial statements. These are available from St Albans House 2nd Floor, 57-59 Haymarket, London, England, SW1Y 4QX.

The ultimate parent undertaking of GEMS Beta Holdco Limited is Varkey Group Limited, a company incorporated in British Virgin Islands.

### **15 Post balance sheet events**

After the financial year end, from February 2020, like all schools in the country the company has been and will continue to be impacted by the Covid-19 pandemic. The company has mitigated the financial impact as optimally as it reasonably can. The directors have considered the likely financial impact on the company including the uncertainty over the pupil numbers. There will be a negative financial impact in the short-term, with a reduction in fee income, but the directors consider the company remains financially viable in the long-term, and consequently have concluded that the going concern basis remains applicable.