

Chesterton Education Limited

Financial Statements

For Filing with Registrar

For the Year ended 31 August 2018



Company Registration No. 10581835 (England and Wales)

Chesterton Education Limited

Company Information

Directors	Mark Malley Jerry Stover Steven Wade
Company number	10581835
Registered office	1 Wolsey Road East Molesey Surrey KT8 9EL
Auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

Chesterton Education Limited

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Chesterton Education Limited

Balance Sheet

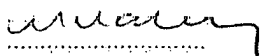
As at 31 August 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	3	4,622,600		4,871,351	
Tangible assets	4	139,758		62,464	
		<u>4,762,358</u>		<u>4,933,815</u>	
Current assets					
Debtors	6	212,018		219,988	
Cash at bank and in hand		738,017		916,384	
		<u>950,035</u>		<u>1,136,372</u>	
Creditors: amounts falling due within one year	7	<u>(4,857,688)</u>		<u>(5,011,549)</u>	
Net current liabilities		<u>(3,907,653)</u>		<u>(3,875,177)</u>	
Total assets less current liabilities		<u>854,705</u>		<u>1,058,638</u>	
Creditors: amounts falling due after more than one year	8			(812,461)	
Provisions for liabilities	9	(14,878)		(9,416)	
Net assets		<u>839,827</u>		<u>236,761</u>	
Capital and reserves					
Called up share capital	10	100		100	
Profit and loss reserves		839,727		236,661	
Total equity		<u>839,827</u>		<u>236,761</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 22/05/2019 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 2018

1 Accounting policies

Company information

Chesterton Education Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Wolsey Road, East Molesey, Surrey, KT8 9EL.

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.

These financial statements have been prepared for the period from incorporation on 24 January 2017 to 31 August 2017 and do not cover 12 months.

1.2 Going concern

The company has net current liabilities on its balance sheet of £3,907,653 and net assets of £839,827. 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 liquid resources, access to borrowing facilities and the future cash flow forecasts and conclude that these give a reasonable expectation that the company has adequate resources to continue as a going concern. Therefore, these accounts have been prepared on that 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 2018

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 2018

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 2018

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 67 (2017: 27).

Chesterton Education Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2018

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 September 2017 and 31 August 2018	4,974,997
Amortisation and impairment	
At 1 September 2017	103,646
Amortisation charged for the Year	248,751
At 31 August 2018	352,397
Carrying amount	
At 31 August 2018	4,622,600
At 31 August 2017	4,871,351

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 September 2017	-	67,872	67,872
Additions	5,029	92,772	97,801
At 31 August 2018	5,029	160,644	165,673
Depreciation and impairment			
At 1 September 2017	-	5,408	5,408
Depreciation charged in the Year	84	20,423	20,507
At 31 August 2018	84	25,831	25,915
Carrying amount			
At 31 August 2018	4,945	134,813	139,758
At 31 August 2017	-	62,464	62,464

Chesterton Education Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2018

5 Subsidiaries

Details of the company's subsidiaries at 31 August 2018 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
Sherborne House School Ltd	England and Wales	Education	Ordinary	100.00

6 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	38,287	33,966
Other debtors	173,731	186,022
	<u>212,018</u>	<u>219,988</u>

7 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	73,835	37,722
Amounts due to group undertakings	2,321,781	2,209,461
Corporation tax	60,634	41,907
Other taxation and social security	61,484	36,212
Other creditors	2,339,954	2,686,247
	<u>4,857,688</u>	<u>5,011,549</u>

8 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	-	812,461
	<u>-</u>	<u>812,461</u>

Chesterton Education Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2018

9 Provisions for liabilities

	2018 £	2017 £
Deferred tax liabilities	14,878	9,416

10 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

11 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 Kingston Smith LLP.

12 Financial commitments, guarantees and contingent liabilities

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

13 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:

	2018 £	2017 £
Within one year	427,023	427,906
Between two and five years	2,000,718	1,704,827
In over five years	1,500,000	2,000,000
	<u>3,927,741</u>	<u>4,132,733</u>

Chesterton Education Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2018

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 Limited is Bellevue Education International Limited, a company incorporated in England and Wales. Bellevue Education International 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 1 Wolsey Road, East Molesey KT8 9EL.

The ultimate parent undertaking of Chesterton Education Limited is Varkey Group Limited, a company incorporated in British Virgin Islands.