Scolarest Limited

Directors' report and financial statements

Registered number 01164520

For the year ended 30 September 2017

Contents

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 30 September 2017.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. As a result of the small companies' exemption, the company is not required to prepare a Strategic Report.

Principal Activity and Business Review

The principal activity for the company is catering. The company did not trade during the year except as an agent on behalf of Compass Contract Services (UK) Limited. This situation is expected to continue into the foreseeable future.

The results for the year are set out in the Profit and Loss Account on Page 6 of the financial statements.
The result for the year is £nil (2016: £nil).

Going Concern

The company only trades as an agent on behalf of Compass Contract Services (UK) Limited and so there is no profit and loss or cashflow risk from trading.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Dividends

The directors do not recommend the payment of a dividend for the year (*2016: £nil*).

Directors

The directors who held office during the year were as follows:

R A Downing (resigned 30.04.2018)

P A Galvin (resigned 30.12.2017)

A J Henriksen (appointed 30.12.2017)

Post balance sheet events

There have been no material post balance sheet events which would require disclosure or adjustments to these financial statements.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director, to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

A Henriksen
Director
22 June 2018

Parklands Court
24 Parklands
Birmingham Great Park
Rubery
Birmingham
B45 9PZ
2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCOLAREST LIMITED

Opinion

We have audited the financial statements of Scolarest Limited ("the company") for the year ended 30 September 2017 which comprise the Profit and loss account and statement of other comprehensive income, Balance sheet, Statements of changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; 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 in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Craig Parkin (Senior Statutory Auditor) 27 June 2018
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

KPMG LLP
One Snowhill
Snow hill Queensway
Birmingham
B4 6GH

Profit and loss account and other comprehensive income
for the year ended 30 September 2017

	Note	**2017** **£000**	2016 £000
Turnover	1	-	605
Transfer of beneficial interest to principal		-	(605)
Result on ordinary activities before taxation	2	-	-
Tax on profit on ordinary activities		-	-
Result for the financial year being total other comprehensive income for the financial year		-	-

Results relate entirely to continuing operations.

The results above are no different from those using an historical cost basis.

Notes on pages 9 to 13 form part of the financial statements.

Balance sheet
at 30 September 2017

	Note	**2017**		2016	
		£000	**£000**	£000	£000
Non-current assets					
Debtors due after one year	5	**136,691**		136,691	
Net assets			**136,691**		136,691
Capital and reserves	6				
Called up share capital			-		-
Profit and loss account			**136,691**		136,691
Shareholder's funds			**136,691**		136,691

Notes on pages 9 to 13 form part of the financial statements.

These financial statements were approved by the directors and signed on their behalf on 22 June 2018 by:

A Henriksen
Director

Company number: 01164520

Statement of changes in Equity
for the year ended 30 September 2017

	Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 October 2015	-	136,691	136,691
Total comprehensive income for the year			
Result for the year being total comprehensive income for the year	-	-	-
Balance at 30 September 2016	-	136,691	136,691
Balance at 1 October 2016	-	136,691	136,691
Total comprehensive income for the year			
Result for the year being total comprehensive income for the year	-	-	-
Balance at 30 September 2017	-	136,691	136,691

Notes on pages 9 to 13 form part of the financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Scolarest Limited (the "Company") is a company incorporated and domiciled in the UK. Registered address: Parklands Court, 24 Parklands, Birmingham, B45 9PZ.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101")*. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Basis of Preparation

The company has applied IFRS1 whilst ensuring that its assets and liabilities are measured in compliance with FRS101.

In these financial statements the company has applied the exemptions available under FRS101 in respect of the following disclosures:

- A cash flow statement and related notes
- Disclosures in respect of transactions with wholly owned subsidiaries
- Disclosures in respect of capital management
- The effects of new but not yet effective IFRSs
- Disclosures in respect of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

The company proposes to continue to adopt the reduced disclosure framework of FRS101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Notes *(continued)*

1 Accounting policies *(continued)*

Functional and presentation currency

These consolidated financial statements are presented in GBP, which is the Company's functional currency. All financial information presented in GBP has been rounded to the nearest thousand, except when otherwise indicated.

Use of estimates and judgements

The preparation of the financial statements in conformity with FRS101 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Board do not believe that there are any principal accounting estimates, assumptions and judgements employed in the preparation of these financial statements which could affect the carrying amounts of assets and liabilities at the balance sheet date.

Financial instruments

Non-derivative financial assets

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

Notes *(continued)*

1 Accounting policies *(continued)*

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Revenue

Turnover is derived from the provision of catering management and support services and is exclusive of value added tax. The turnover for the year wholly related to business undertaken within the United Kingdom.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Expenses

Financing income and expenses

Financing expenses comprise interest payable. Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

Notes *(continued)*

2 Operating profit

The fees paid to the company's auditor for the audit of the financial statements of £543 (2016: £602) were borne by another group company.

3 Employee information

The company does not employee any staff, other than directors (*2016: None*).

4 Directors' remuneration

These directors received no remuneration for their services to this company as the services provided to this company are incidental to the management roles they fulfil for the group. *(2016: None)*

5 Debtors due after one year

	2017	2016
	£000	£000
Amounts owed by other group undertakings	**136,691**	**136,691**
	136,691	**136,691**

Amounts owed by other group undertakings relate entirely to other Group companies. There are no set repayment terms of fixed interest rates on these balances but the debts are not anticipated to be called in the next 12 months.

6 Called up share capital

	2017	2016
	£000	£000
Allotted, called up and fully paid:		
100 ordinary shares of £1 each	-	-

7 Commitments

There were no capital commitments at the end of the financial year and no provision has been made *(2016: £nil)*.

8 Contingent liabilities

Under a group registration the company is jointly and severally liable for VAT due by the other companies within the group registration. At 30 September 2017 this contingent liability amounted to £39,905,000 (2016: £39,435,000).

The company has entered into cross guarantees in respect of the group overdraft facility with National Westminster Bank PLC. The company is not in an overdraft position as at 30 September 2017. The amount drawn down as at 30 September 2016 was £13,000,000.

Notes *(continued)*

9 Related party transactions

As a wholly owned subsidiary, the company is exempt from disclosure of transactions with group undertakings under FRS 101.

10 Ultimate parent company

The company's immediate parent undertaking is Sutcliffe Catering South East Limited.

The ultimate parent company and controlling party is Compass Group PLC. This is the largest and smallest group into which the company is consolidated.

The only group of undertakings for which group accounts are drawn up and of which the company is a member is Compass Group PLC. Copies of the group accounts referred to above can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

11 Subsequent events

There have been no material post balance sheet events which would require disclosure or adjustments to these financial statements.