

Registration number: 01759451

# Chapter House Preparatory School Limited

Annual Report and Financial Statements

for the Year Ended 31 August 2017

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# **Chapter House Preparatory School Limited**

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## **Chapter House Preparatory School Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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:

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

## **Chapter House Preparatory School Limited**

### **Independent Auditor's Report to the Members of Chapter House Preparatory School Limited**

#### **Opinion**

We have audited the financial statements of Chapter House Preparatory School Limited (the 'company') for the year ended 31 August 2017, which comprise the Statement of Income and Retained Earnings, 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 FRS 102 Section 1A '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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 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 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.

## Chapter House Preparatory School Limited

### Independent Auditor's Report to the Members of Chapter House Preparatory School Limited

#### Opinion on other matter 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the has been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the .

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the and from the requirement to prepare a Strategic Report.

#### Responsibilities of directors


As explained more fully in the Statement of Directors' Responsibilities [set out on page 1], 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.

  
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Christopher Padgett FCA (Senior Statutory Auditor)  
For and on behalf of Watson Buckle Limited,  
Statutory Auditors & Chartered Accountants  
Bradford

25 May 2018

# Chapter House Preparatory School Limited

## Profit and Loss Account and Statement of Retained Earnings for the Year Ended 31 August 2017

	2017 £	2016 £
Turnover	2,786,948	2,757,792
Cost of sales	<u>(1,446,590)</u>	<u>(1,411,936)</u>
Gross profit	1,340,358	1,345,856
Administrative expenses	<u>(1,254,601)</u>	<u>(1,317,497)</u>
Operating profit	85,757	28,359
Interest payable and similar charges	<u>(15,117)</u>	<u>(11,934)</u>
Profit before tax	70,640	16,425
Taxation	<u>(28,936)</u>	<u>(23,600)</u>
Profit/(loss) for the financial year	41,704	(7,175)
Retained earnings brought forward	<u>136,439</u>	<u>143,614</u>
Retained earnings carried forward	<u>178,143</u>	<u>136,439</u>

The notes on pages 6 to 10 form an integral part of these financial statements.

# Chapter House Preparatory School Limited


(Registration number: 01759451)  
Balance Sheet as at 31 August 2017

	Note	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	4		1,609,423		1,189,904
<b>Current assets</b>					
Debtors	5	66,701		101,399	
<b>Creditors: Amounts falling due within one year</b>	6	<u>(1,451,481)</u>		<u>(1,098,364)</u>	
<b>Net current liabilities</b>			<u>(1,384,780)</u>		<u>(996,965)</u>
<b>Total assets less current liabilities</b>			224,643		192,939
<b>Provisions for liabilities</b>			<u>(46,400)</u>		<u>(56,400)</u>
<b>Net assets</b>			<u>178,243</u>		<u>136,539</u>
<b>Capital and reserves</b>					
Called up share capital		100		100	
Profit and loss account		<u>178,143</u>		<u>136,439</u>	
<b>Total equity</b>			<u>178,243</u>		<u>136,539</u>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the provisions of FRS 102 Section 1A - small entities.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 25 May 2018 and signed on its behalf by:

  
C J Hall  
Director

## **Chapter House Preparatory School Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2017**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Thorpe Underwood Hall

Ouseburn

York

North Yorkshire

YO26 9SZ

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' including the disclosure and presentation requirements of and the Companies Act 2006.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The company's functional and presentation currency is pound sterling.

##### **Summary of disclosure exemptions**

The company has taken advantage of the exemption under Financial Reporting Standard 102 Section 1AC.35 from disclosing transactions and balances with fellow group undertakings that are wholly owned.

##### **Name of parent of group**

These financial statements are consolidated in the financial statements of the parent undertaking, Care & Recreation Holdings Limited whose registered office address is Thorpe Underwood Hall, Ouseburn, York, North Yorkshire, YO26 9SZ.

The financial statements of Care & Recreation Holdings Limited may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

##### **Audit report**

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 25 May 2018 was Christopher Padgett FCA, who signed for and on behalf of Watson Buckle Limited.

##### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the provision of services to pupils in the ordinary course of the company's activities. Turnover is shown net of value added tax.

The company recognises revenue when the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity.

##### **Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.



## **Chapter House Preparatory School Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2017**

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets over their estimated useful lives.

If there is an indication that there has been a significant change in estimated useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Depreciation is charged as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Short leasehold improvements	10% - straight line
Fixtures, fittings and office equipment	10% - 25% straight line
Other property, plant and equipment	4% - 25% straight line

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

## **Chapter House Preparatory School Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2017**

#### **Financial instruments**

##### ***Financial assets***

Basic financial assets, including trade and other receivables, 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 for a similar asset. Such assets are subsequently carried at amortised cost using the effective interest method.

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 and any subsequent reversal is recognised in profit or loss.

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.

##### ***Financial liabilities***

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest for a similar debt instrument.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Defined benefit pension obligation**

The Teachers' Pension Scheme ('TPS') is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

### **3 Staff numbers**

The average number of persons employed during the year was 49 (2016 - 45).

# Chapter House Preparatory School Limited

## Notes to the Financial Statements for the Year Ended 31 August 2017

### 4 Tangible assets

	Short leasehold improvements £	Fixtures, fittings and office equipment £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2016	223,720	938,542	410,849	1,573,111
Additions	29,706	1,191,298	48,126	1,269,130
Disposals	-	(930,284)	(191,951)	(1,122,235)
At 31 August 2017	<u>253,426</u>	<u>1,199,556</u>	<u>267,024</u>	<u>1,720,006</u>
<b>Depreciation</b>				
At 1 September 2016	29,865	211,788	141,554	383,207
Charge for the year	10,137	101,378	33,415	144,930
Eliminated on disposal	-	(265,561)	(151,993)	(417,554)
At 31 August 2017	<u>40,002</u>	<u>47,605</u>	<u>22,976</u>	<u>110,583</u>
<b>Carrying amount</b>				
At 31 August 2017	<u>213,424</u>	<u>1,151,951</u>	<u>244,048</u>	<u>1,609,423</u>
At 31 August 2016	<u>193,855</u>	<u>726,754</u>	<u>269,295</u>	<u>1,189,904</u>

### 5 Debtors

	2017 £	2016 £
Other debtors	<u>66,701</u>	<u>101,399</u>

### 6 Creditors

	2017 £	2016 £
<b>Due within one year</b>		
Amounts due to group undertakings	1,450,629	1,097,214
Accruals	<u>852</u>	<u>1,150</u>
	<u>1,451,481</u>	<u>1,098,364</u>

## Chapter House Preparatory School Limited

### Notes to the Financial Statements for the Year Ended 31 August 2017

#### 7 Share capital

##### Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

#### 8 Financial commitments, guarantees and contingencies

##### Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £850,888 (2016 - £921,066). This financial commitment is in respect of operating leases.

The company is committed to make employer contributions into The Teachers Pension Scheme at a rate of 16.48% from 1 September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

#### 9 Parent and ultimate parent undertaking

The company's immediate parent is The Collegiate Formation Limited, incorporated in England & Wales.

The company's ultimate parent company is Foxlow Limited, a company registered in the British Virgin Islands.

The most senior parent entity producing publicly available financial statements is Care & Recreation Holdings Limited. These financial statements are available upon request from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.