

Chapter House Preparatory School Limited

Annual Report and Financial Statements
for the Year Ended 31 August 2022

Chapter House Preparatory School Limited

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Chapter House Preparatory School Limited

Directors' Report for the Year Ended 31 August 2022

The directors present their report and the financial statements for the year ended 31 August 2022.

Directors of the company

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

C J Hall

A K Martin

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved and authorised by the Board on 30 May 2023 and signed on its behalf by:

.....

A K Martin

Director

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;
- state whether applicable United Kingdom 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.

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 2022, which comprise the Profit and Loss Account and Statement of 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2022 and of its loss 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 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report 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 Directors' Report.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 2], 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 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.

Chapter House Preparatory School Limited

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

In planning and designing our audit tests, we identify and assess the risks of material misstatement within the financial statements, whether due to fraud or error. Our assessment of these risks includes consideration of the nature of the industry and sector, the control environment and the business performance along with the results of our enquiries of management, about their own identification and assessment of the risks of irregularities. We are also required to perform specific procedures to respond to the risk of management override.

Following this assessment we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in evaluating fixed assets and the misappropriation of transactions through management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, through discussions with directors and other management, and from our commercial knowledge and experience of the sector in which the company operates, to enable us to identify the key laws and regulations applicable to the company. We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

We then performed audit procedures after consideration of the above risks which included the following:

- substantive fixed asset testing;
 - enquiring of management concerning actual and potential litigation and claims;
 - reviewing correspondence with HMRC and the company's legal advisors;
 - performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
 - reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and
- other adjustments, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

All engagement team members were informed of the relevant laws and regulations and potential fraud risks at the planning stage and reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify such items.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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. This description forms part of our auditor's report.

Chapter House Preparatory School Limited

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

Use of our report

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.

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

30 May 2023

Chapter House Preparatory School Limited

Profit and Loss Account and Statement of Retained Earnings for the Year Ended 31 August 2022

	Note	2022 £	2021 £
Turnover	<u>3</u>	1,655,347	1,453,870
Cost of sales		<u>(1,108,579)</u>	<u>(1,066,457)</u>
Gross profit		546,768	387,413
Administrative expenses		(880,832)	(794,658)
Other operating income	<u>4</u>	<u>126</u>	<u>25,509</u>
Operating loss	<u>5</u>	(333,938)	(381,736)
Interest payable and similar charges	<u>7</u>	<u>(55,384)</u>	<u>(30,451)</u>
Loss before tax		(389,322)	(412,187)
Taxation	<u>11</u>	<u>(328)</u>	<u>(12,760)</u>
Loss for the financial year		(389,650)	(424,947)
Retained earnings brought forward		<u>(1,300,066)</u>	<u>(875,119)</u>
Retained earnings carried forward		<u><u>(1,689,716)</u></u>	<u><u>(1,300,066)</u></u>

Chapter House Preparatory School Limited

(Registration number: 01759451)
Balance Sheet as at 31 August 2022

	Note	2022	(As restated) 2021
		£	£
Fixed assets			
Tangible assets	<u>12</u>	1,398,911	1,551,851
Current assets			
Debtors	<u>13</u>	25,477	-
Creditors: Amounts falling due within one year	<u>14</u>	<u>(2,992,138)</u>	<u>(2,779,951)</u>
Net current liabilities		<u>(2,966,661)</u>	<u>(2,779,951)</u>
Total assets less current liabilities		(1,567,750)	(1,228,100)
Provisions for liabilities	<u>15</u>	<u>(121,866)</u>	<u>(71,866)</u>
Net liabilities		<u><u>(1,689,616)</u></u>	<u><u>(1,299,966)</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account	<u>18</u>	<u>(1,689,716)</u>	<u>(1,300,066)</u>
Total equity		<u><u>(1,689,616)</u></u>	<u><u>(1,299,966)</u></u>

Approved and authorised by the Board on 30 May 2023 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 2022

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 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' 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 33.1A from disclosing transactions and balances with fellow group undertakings that are wholly owned.

The company has taken advantage of the exemption to disclose certain aspects of financial instruments, transactions with key management personnel and the exemption to prepare Statement of Cash Flows in accordance with Financial Reporting Standard 102 Section 1.12.

The company has taken advantage of the exemption under Companies Act 2006 Section 415 from disclosing Financial Instruments.

Name of parent of group

These financial statements are consolidated in the financial statements of Care & Recreation Holdings Limited.

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

Chapter House Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Going concern

In making the going concern assessment, the directors have considered the net liabilities position of the Company. Whilst the directors acknowledge the significance of this matter, their view is that the Company continues to have sufficient resources available to enable it to meet its liabilities as they fall due.

In reaching their conclusion, the directors have prepared cash flow forecasts to enable them to assess the financial position of the Company over the next 12 months.

As at 31 August 2022, the Company reported net liabilities of £1,689,616.

The forecasts show that cash headroom exists to absorb some levels of downside against the assumptions made, should they occur. After consideration of the factors noted above, the directors continue to adopt the going concern basis in preparing the financial statements.

Prior period errors

The deferred income creditor has been reclassified in 2021 via the amounts due to related parties and amended in the comparative Balance Sheet. The reason for the prior period reclassification is to correct the classification of deferred income, payments on account and refundable deposits in each of the related parties financial statements. Accruals and deferred income previously reported was £452,673 and amounts due to related parties were £2,324,478. After reclassification, the 2021 comparative amounts due to related parties are £2,761,264 and accruals and deferred income are £15,887.

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

All shared expenses are allocated across related companies via recharges. Recharge split percentages are calculated on an appropriate allocation basis, such as turnover, staff numbers and building usage, according to expense type.

Chapter House Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets and their carrying amount is determined by the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually and amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The carrying amount is £1,398,911 (2021 -£1,551,851).

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtor, management considers factors which include the current credit rating of the debtor, the ageing profile of debtors and historical experience. The carrying amount is £25,477 (2021 -£Nil).

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, net of value added tax and discounts.

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.

Government grants

Grants are measured at the fair value of the asset received or receivable.

Grants relating to revenue shall be recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in income in the period in which it becomes receivable.

Tax

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.

The current corporation 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.

Chapter House Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

Tangible assets

Tangible assets are stated in the balance sheet 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:

Asset class	Depreciation method and rate
Short leasehold improvements	4% - 10% straight line
Fixtures, fittings and equipment	10% straight line
Plant and machinery	12.5% straight line

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

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.

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.

Chapter House Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

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.

3 Turnover

The analysis of the company's Turnover for the year from continuing operations is as follows:

	2022	2021
	£	£
Rendering of services	1,655,347	1,453,870

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2022	2021
	£	£
Government grants	126	25,509

Chapter House Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

5 Operating loss

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation expense	221,874	220,526
Profit on disposal of property, plant and equipment	-	(148)

6 Government grants

During the year the company has received grant income of £126 (2021 - £25,509) in respect of the Coronavirus Job Retention Scheme.

7 Interest payable and similar expenses

	2022	2021
	£	£
Interest expense on other finance liabilities	55,384	30,451

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022	2021
	£	£
Wages and salaries	883,668	847,014
Social security costs	75,472	73,731
Pension costs, defined contribution scheme	13,172	12,050
Pension costs, defined benefit scheme	93,166	98,180
	1,065,478	1,030,975

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2022	2021
	No.	No.
Administration and support	2	5
Other departments	28	25
	30	30

Chapter House Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022 £	2021 £
Remuneration	13,556	11,712
Contributions paid to money purchase schemes	439	439
	<u>13,995</u>	<u>12,151</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2022 No.	2021 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

10 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>11,000</u>	<u>10,000</u>

The company has taken the exemption from disclosing remuneration receivable by auditors for other services as this information is disclosed within the group accounts.

11 Taxation

Tax charged/(credited) in the profit and loss account

	2022 £	2021 £
Current taxation		
UK corporation tax	(49,688)	(45,100)
UK corporation tax adjustment to prior periods	<u>16</u>	<u>48,260</u>
	<u>(49,672)</u>	<u>3,160</u>
Deferred taxation		
Arising from origination and reversal of timing differences	50,000	(6,600)
Arising from changes in tax rates and laws	<u>-</u>	<u>16,200</u>
Total deferred taxation	<u>50,000</u>	<u>9,600</u>
Tax expense in the income statement	<u>328</u>	<u>12,760</u>

Chapter House Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Loss before tax	(389,322)	(412,187)
Corporation tax at standard rate	(73,971)	(78,316)
Effect of expense not deductible in determining taxable profit (tax loss)	65,911	25,834
Tax increase from effect of capital allowances and depreciation	8,388	65,242
Total tax charge	328	12,760

Deferred tax

Deferred tax assets and liabilities

	Asset £	Liability £
2022		
Accelerated capital allowances	-	118,500
Other provisions	-	(1,100)
	-	117,400
2021		
Accelerated capital allowances	-	67,400
	-	67,400

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £(66,889) (2021 - £(5,594)).

Chapter House Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

12 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Plant and machinery £	Total £
Cost or valuation				
At 1 September 2021	2,503,699	6,040	1,662	2,511,401
Additions	-	68,791	143	68,934
Reclassification	(287)	-	287	-
At 31 August 2022	2,503,412	74,831	2,092	2,580,335
Depreciation				
At 1 September 2021	955,366	3,627	557	959,550
Charge for the year	219,055	2,649	170	221,874
Reclassification	292	-	(292)	-
At 31 August 2022	1,174,713	6,276	435	1,181,424
Carrying amount				
At 31 August 2022	1,328,699	68,555	1,657	1,398,911
At 31 August 2021	1,548,333	2,413	1,105	1,551,851

Included within the net book value of land and buildings above is £1,328,991 (2021 - £2,423,149) in respect of long leasehold land and buildings.

13 Debtors

	2022 £	2021 £
Current		
Trade debtors	25,477	-

14 Creditors

	Note	2022 £	(As restated) 2021 £
Due within one year			
Amounts due to related parties		2,974,330	2,761,264
Accruals		17,492	15,887
Corporation tax liability	11	316	2,800
		2,992,138	2,779,951

Chapter House Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

15 Provisions for liabilities

	Deferred tax £	Other provisions £	Total £
At 1 September 2021	67,400	4,466	71,866
Increase (decrease) in existing provisions	50,000	-	50,000
At 31 August 2022	117,400	4,466	121,866

The other provision relates to ongoing enquiries raised by HMRC into the company.

As the enquiry is still open and ongoing, the timing of the outflow of tax and the actual overall liability are both uncertain. However, the directors have made a provision which they feel is probable, based on their assessment of the circumstances of the enquiry and the facts available.

16 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £13,172 (2021 - £12,050).

Defined benefit pension schemes

Teachers' pension scheme

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Multi-employer plans

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The school has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension cost paid to the TPS in the period amounted to £93,166 (2021 - £98,180) and at the year-end £Nil (2021 - £Nil) was accrued in respect of contributions to this scheme.

The school has set out below the information available on the scheme.

Chapter House Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on June 2021 on the proposed changes to the cost control mechanism following a review by the government actuary. Following the public consultation, the government have accepted three key proposals recommended by the government actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to the benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the 2020 valuation is completed, it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Chapter House Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

17 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

All shares rank pari passu for income, capital and voting rights.

18 Reserves

Share capital

Represents the nominal value of issued shares.

Profit and loss reserve

Includes all current and prior periods distributable profits and losses.

19 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Not later than one year	219,486	215,480
Later than one year and not later than five years	303,518	301,516
Later than five years	40,329	94,311
	<u>563,333</u>	<u>611,307</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £219,486 (2021 - £215,480).

20 Commitments

Other financial commitments

The company is committed to make employer contributions into The Teachers Pension Scheme at a rate of 23.68% (2021 - 23.68%) .

Chapter House Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2022

21 Contingent liabilities

There are ongoing enquiries raised by HMRC into the company. The total amount of contingent liabilities not provided for in the financial statements in relation to these enquiries is £Nil (2021: £28,268). The directors consider the likelihood of a future outflow of economic benefits is not probable and providing the information required by FRS 102 paragraph 21.15 would be prejudicial to the company whilst the enquiries are ongoing.

22 Parent and ultimate parent undertaking

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

The ultimate parent is Foxlow Limited, incorporated 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.

The registered office address of Care & Recreation Holdings Limited is: Thorpe Underwood Hall, PO Box 100, Great Ouseburn, York, YO26 9SZ.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.