

Chapter House Preparatory School Limited

Annual Report and Financial Statements

for the Year Ended 31 August 2020



Chapter House Preparatory School Limited

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Chapter House Preparatory School Limited


(Registration number: 01759451)
Balance Sheet as at 31 August 2020

		(As restated)			
	Note	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	4		1,765,910		1,908,096
Current assets					
Debtors	5	48,260		48,260	
Creditors: Amounts falling due within one year	6	<u>(2,643,016)</u>		<u>(2,359,637)</u>	
Net current liabilities			<u>(2,594,756)</u>		<u>(2,311,377)</u>
Total assets less current liabilities			(828,846)		(403,281)
Provisions for liabilities			<u>(57,800)</u>		<u>(57,800)</u>
Net liabilities			<u>(886,646)</u>		<u>(461,081)</u>
Capital and reserves					
Called up share capital	7	100		100	
Profit and loss account		<u>(886,746)</u>		<u>(461,181)</u>	
Total equity			<u>(886,646)</u>		<u>(461,081)</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 2021 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 2020

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.

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 25 May 2021 was Christopher Padgett FCA, who signed for and on behalf of Watson Buckle Limited.

Reclassification of comparative amounts

Discounts have been reclassified in 2019 and amended in the comparative Profit and Loss Account and Statement of Retained Earnings as they were incorrectly shown in cost of sales when they should have been deducted from turnover. Turnover previously reported in 2019 was £2,631,764 and cost of sales was £1,861,832. After reclassification of the 2019 comparatives turnover is £2,000,820 and cost of sales is £1,230,888.

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 scholarships.

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.

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Notes to the Financial Statements for the Year Ended 31 August 2020

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.

Taxation

The tax expense for the period comprises current 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.

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% - straight line
Fixtures, fittings and equipment	10% - 25% straight line
Plant and machinery	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.

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Notes to the Financial Statements for the Year Ended 31 August 2020

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.

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Notes to the Financial Statements for the Year Ended 31 August 2020

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.

Going concern

In making their going concern assessment, the directors have considered both the net current liabilities position of the Company and the impact of the ongoing economic uncertainties brought about by the Covid-19 outbreak in the period. Whilst the directors acknowledge the significance of these matters, 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 forecasts to enable them to assess the financial position of the Company over the next 12 months.

The financial statements have been prepared on a going concern basis which assumes that ongoing financial support will be provided by the other companies within the group and accordingly do not take account of adjustments, if any, which may be necessary if the company is unable to continue as a going concern. The company has received written confirmation from group companies that there will not be a call for repayment in whole or in part of the outstanding balances if it would be prejudicial to the company continuing as a going concern.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 36 (2019 - 36).

Chapter House Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

4 Tangible assets

	Short leasehold improvements £	Fixtures, fittings and equipment £	Plant and machinery £	Total £
Cost or valuation				
At 1 September 2019	253,426	1,925,060	255,643	2,434,129
Additions	-	69,830	1,264	71,094
At 31 August 2020	253,426	1,994,890	256,907	2,505,223
Depreciation				
At 1 September 2019	60,276	414,087	51,670	526,033
Charge for the year	10,137	188,995	14,148	213,280
At 31 August 2020	70,413	603,082	65,818	739,313
Carrying amount				
At 31 August 2020	183,013	1,391,808	191,089	1,765,910
At 31 August 2019	193,150	1,510,973	203,973	1,908,096

5 Debtors

	2020 £	2019 £
Other debtors	48,260	48,260
	48,260	48,260

Chapter House Preparatory School Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

6 Creditors

	2020 £	2019 £
Due within one year		
Amounts owed to group undertakings	2,630,135	2,355,812
Accruals and deferred income	<u>12,881</u>	<u>3,825</u>
	<u>2,643,016</u>	<u>2,359,637</u>

7 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

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Notes to the Financial Statements for the Year Ended 31 August 2020

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 £1,713,235 (2019 - £1,864,908). 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 23.68%.

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 ultimate controlling party is not known.

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.