



Annual report and financial statements CEG Properties Limited

For the year ended 31 August 2017



Company No. 02354796

Officers and professional advisers

Company registration number

02354796

Registered office

Kett House
Station Road
Cambridge
CB1 2JH

Directors

E Armstrong
M Ioakimides
P Symes
B Webb

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Abacus House
Castle Park
Cambridge
CB3 0AN

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Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 August 2017.

Results and dividends

The loss for the financial year amounted to £263,000 (2016 - £677,000 profit). No dividends were paid during the year (2016 - £nil).

Business review and future developments

The directors are pleased with the results of the company for the year and foresee a similar level of activity in the coming year.

Directors

The directors who served the company during the year and changes up to the date of the signing of the financial statements were as follows:

E Armstrong

M Ioakimides

H Shah

Resigned 29 January 2018

B Webb

Appointed 17 January 2017

P Symes

Appointed 9 April 2018

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

The directors of the ultimate parent company are responsible for the maintenance and integrity of the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

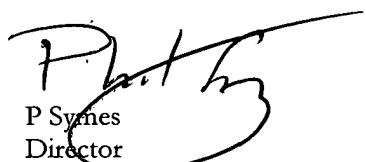
Independent auditors

PricewaterhouseCoopers LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487 (2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By order of the board



P Symes
Director
20 April 2018

Independent auditors' report to the members of CEG Properties Limited

Report on the audit of the financial statements

Opinion

In our opinion, CEG Properties Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 August 2017; the income statement, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of CEG Properties Limited (continued)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 August 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the members of CEG Properties Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

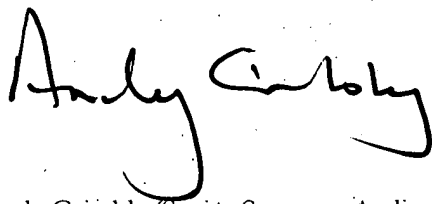
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Andy Grimby (Senior Statutory Auditor).
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
20 April 2018

Income statement

For the year ended 31 August 2017

	Note	2017 £'000	2016 £'000
Revenue		1,038	1,037
Cost of sales		<u>(975)</u>	<u>(202)</u>
Gross profit		63	835
Gain on disposal of investment property		-	94
Change in fair value of investment property		-	245
Operating profit	6	63	1,174
Interest expense	7	<u>(435)</u>	<u>(435)</u>
(Loss)/profit on ordinary activities before taxation		(372)	739
Tax on loss/profit on ordinary activities	8	109	(62)
(Loss)/profit for the financial year		(263)	677

All of the activities of the company are classed as continuing.

Statement of comprehensive income

For the year ended 31 August 2017

	2017 £'000	2016 £'000
(Loss)/profit for the financial year	(263)	677
Total comprehensive (expense)/income for the year	(263)	677

The accompanying notes form part of these financial statements.

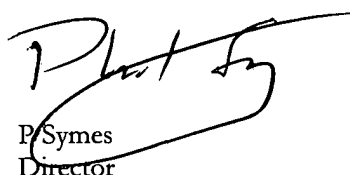
Statement of financial position

As at 31 August 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Investment property	9	13,955	13,955
Tangible assets	10	-	202
		<u>13,955</u>	<u>14,157</u>
Current assets			
Debtors	11	1,095	1,371
Cash		220	-
		<u>1,315</u>	<u>1,371</u>
Creditors: amounts falling due within one year	12	(12,365)	(12,269)
Net current liabilities		<u>(11,050)</u>	<u>(10,898)</u>
Total assets less current liabilities		<u>2,905</u>	<u>3,259</u>
Provisions for other liabilities	13	(294)	(385)
Net assets		<u><u>2,611</u></u>	<u><u>2,874</u></u>
Capital and reserves			
Called-up share capital	14	181	181
Share premium		103	103
Retained earnings		2,327	2,590
		<u>2,611</u>	<u>2,874</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements on pages 8 to 19 were approved by the directors and authorised for issue on 20 April 2018 and are signed on their behalf by:



P Symes
Director

Company Registration Number: 02354796

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 31 August 2017

	Called up share capital	Share premium	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
At 1 September 2015	181	103	1,913	2,197
Profit for the financial year	-	-	677	677
Total comprehensive income for the financial year	-	-	677	677
At 31 August 2016	181	103	2,590	2,874
Loss for the financial year	-	-	(263)	(263)
Total comprehensive expense for the financial year	-	-	(263)	(263)
At 31 August 2017	181	103	2,327	2,611

The accompanying notes form part of these financial statements.

Notes to the financial statements

1 General information

CEG Properties Limited (“the company”) is a private limited company limited by shares and incorporated in England, United Kingdom under the Companies Act. The address of the registered office, which is also the principal place of business, is given on page 1. The principal activity of the company is the provision of property occupied by other group companies.

2 Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards including “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (“FRS 102”) and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and prior year in these financial statements.

a) Basis of preparation

These financial statements have been prepared on a going concern basis under the historic cost convention, as modified by the recognition of certain assets measured at fair value.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Values are presented in thousands of pounds sterling except where the nature of the disclosure or the value disclosed is such that disclosure in pounds sterling is more appropriate.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

b) Going concern

The group of which the company is a part meets its day-to-day working capital requirements through its bank facilities. The Directors have prepared both detailed budgets and long term forecasts for the group, taking account of reasonably possible changes in trading performance. After making enquiries, the Directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, within the level of existing facilities and to meet long term liabilities as they fall due. At 31 August 2017 the company has net current liabilities of £11,050,000 (2016 – £10,898,000). The company has obtained a letter of support from its parent undertaking, Cambridge Education Group Limited confirming that it will provide finance, if required, for a period of at least 12 months from the date of approval of these financial statements, in order that the company can continue to meet its liabilities as they fall due. The parent group intends to refinance a bank loan advanced to an intermediate parent company by HSBC Bank plc which falls due on 18 December 2018. The directors believe that the loan can be refinanced with the existing or an alternative lender. The company therefore continues to adopt the going concern basis in preparing its financial statements.

c) Revenue

Revenue is stated net of VAT (if applicable) and is recognised when the significant risks and rewards are considered to have transferred to the buyer.

Revenue shown in the income statement represents amounts receivable in respect of the provision of rental property and is recognised on a straight line basis over the term of the lease or license concerned.

d) Borrowing costs

All borrowing costs are recognised in the income statement in the period in which they are incurred, using the effective interest rate method.

e) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts to be paid to the tax authorities.

f) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

g) Investment property

Investment properties are those properties that are held to earn rental income and include school and college buildings and office premises.

Investment properties are measured initially at cost. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Thereafter investment properties are stated at fair value, which reflects market conditions at the balance sheet date as determined by the directors. That determination is based on periodic external appraisals performed by a qualified external valuer and is inherently subjective. Surpluses and deficits from changes in fair value of investment properties are recognised in the income statement for the year in which they arise.

Investment properties are derecognised on legal completion of disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

h) Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Land and buildings include freehold and leasehold schools, colleges, student accommodation and offices. The leasehold buildings are stated at cost and the freehold land and buildings are stated at valuation, less accumulated depreciation and accumulated impairment losses.

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably. Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement and included in 'Other operating (losses)/gains'

Freehold land and buildings are revalued periodically to fair value based on an appraisal undertaken by a qualified external valuer. Any revaluation gains are recognised in equity and any losses are recognised in the income statement unless and to the extent that they offset a gain previously recorded in equity.

i) Depreciation and residual values

Depreciation is calculated so as to write off the cost of tangible assets, less their estimated residual value, over the useful economic life of those assets as follows:

Leasehold buildings	6% - 25% straight line
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The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively. Investment property is not depreciated.

j) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

k) Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

I) Financial instruments

The company has chosen to adopt Section 11 and 12 of FRS 102 in full in respect of financial instruments.

Basic financial assets, including trade and other debtors, amounts owed by group undertakings, accrued income and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Financing transactions are measured at the present value of the future receipts discounted at the market rate of interest and 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 present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

Basic financial liabilities including trade and other creditors, amounts owed to group undertakings and accruals are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. For such transactions the debt instrument is measured at present value of the future receipts discounted at a market rate of interest and subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable as classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities then trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends and other distributions to the company's shareholders are recognised as a liability in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

4 Critical accounting estimates and judgements

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

Taxation

The company establishes provisions based on reasonable estimates and where relevant for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that is recognised, based upon likely timing and level of future taxable profits together with an assessment of the tax rates that will be applicable in future and the effect of future tax planning strategies.

Investment property

The directors determine the fair value of the company's investment properties based on periodic external appraisals performed by a qualified external valuer. The basis of the fair value appraisal is an estimation of the price that would be received to sell an asset in an orderly transaction between market participants. The valuation process is inherently subjective and therefore fair value of the investment properties may differ significantly from the value realised in an actual transaction.

5 Disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the following exemptions:

- Under FRS 102 paragraph 1.12(b) from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Camelot Topco Limited, includes the company's cash flows in its own consolidated financial statements;
- From the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statements of the group in which the company is consolidated; and,
- From the key management personnel compensation disclosures required under FRS102 paragraph 33.7, as the information is provided in the consolidated financial statements of the group in which the company is consolidated.

6 Operating profit

Operating profit is stated after charging:

	2017	2016
	£'000	£'000
Depreciation on tangible assets	<u>202</u>	<u>203</u>

Auditors' remuneration is borne by other group companies. The company had no employees (2016 – none)

7 Interest expense

	2017	2016
	£'000	£'000
Interest payable and similar charges:		
Interest on intragroup loans	435	435

8 Tax on profit on ordinary activities

(a) Tax expense included in the income statement

	2017	2016
	£'000	£'000
Current tax:		
UK Corporation tax based on the profits for the year at 19.58% (2016 – 20%)	-	109
Adjustment in respect of prior periods	(18)	-
Total current tax	(18)	109
Deferred tax:		
Origination and reversal of timing differences	(91)	(47)
Tax on profit on ordinary activities	(109)	62

(b) Factors affecting tax charge

The tax/(credit) assessed on the profit on ordinary activities for the year is higher (2016-lower) than the standard rate of corporation tax in the UK of 19.58% (2016 –20%).

	2017	2016
	£'000	£'000
(Loss) / profit on ordinary activities before taxation	(372)	739
Profit on ordinary activities multiplied by rate of tax	(73)	148
Depreciation in excess of tax allowances	-	(18)
Impact of rate changes	(18)	(40)
Adjustments in respect of prior periods	(18)	-
Credits to income statement not subject to tax	-	(28)
Tax (credit) / charge for the year	(109)	62

(c) Tax rate changes

Deferred tax balances at 31 August 2017 and 31 August 2016 are measured at the revised rate of 17% and 18% respectively. During the year the UK corporation tax rate reduced to 19%, with further decreases to 18% and latterly 17% being substantially enacted, due with effect from 1 April 2020.

9 Investment property

£'000

At 31 August 2016 and 31 August 2017

13,955

Freehold land and buildings were revalued at 31 August 2016 by Savills (UK) Limited, Chartered Surveyors regulated by RICS, acting as external valuers and in accordance with the RICS Red Book at £13,955,000. The basis of valuation was fair value, which is the price that would be received to sell an asset in an orderly transaction between market participants, before selling expenses and based on market evidence. Having had regard to current market conditions, the directors consider that this valuation is still appropriate.

10 Tangible assets

**Leasehold
land and
buildings**
£'000

Cost:

At 31 August 2016 and 31 August 2017

2,110

Accumulated depreciation:

At 1 September 2016

1,908

Charge for the year

202

2,110

Net book value:

At 31 August 2017

-

At 31 August 2016

202

The net book value of land included in the above is £nil (2016 - £nil)

11 Debtors

2017
£'000

2016
£'000

Amounts owed by group undertakings

1,095

1,371

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12 Creditors: amounts falling due within one year

2017
£'000

2016
£'000

Bank overdraft

-

615

Amounts owed to group undertakings

12,365

11,545

Corporation tax

-

109

12,365

12,269

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13 Provisions for other liabilities

	Deferred tax provision £'000
At 1 September 2016	385
Credited to the income statement	(91)
At 31 August 2017	<u>294</u>

The company's deferred taxation liability consists of the tax effects of differences in respect of:

	2017 £'000	2016 £'000
Excess of depreciation over taxation allowances	294	325
Losses for carry back	(60)	-
Revaluation of investment property	60	60
	<u>294</u>	<u>385</u>

The net deferred tax liability expected to reverse in the 2018 financial year is £23,000 and this primarily relates to the excess of depreciation over tax allowances.

14 Called-up share capital and reserves

Allotted, called up and fully paid:

	2017		2016	
	No	£'000	No	£'000
Ordinary shares of £0.01 each	13,800,000	138	13,800,000	138
'A' Ordinary shares of £0.01 each	4,250,000	43	4,250,000	43
	<u>18,050,000</u>	<u>181</u>	<u>18,050,000</u>	<u>181</u>

The two classes of shares rank *pari passu* in all respects.

The retained earnings reserve represents the cumulative profits and losses, net of dividends paid and other adjustments.

15 Related party transactions

As a wholly-owned subsidiary of Camelot Topco Limited, the company is exempt from the requirement to disclose transactions with other members of the group.

16 Contingent liabilities

The company is a co-guarantor of the syndicated bank loans of an intermediate parent undertaking Camelot Bidco Limited. As at 31st August 2017 these amounted to £90.7m (2016-£90.8m).

The company had no other off-balance sheet arrangements.

17 Ultimate controlling party

The immediate parent company is Cambridge Education Group Limited.

Cambridge Education Group Limited is the parent company of the smallest group which prepares publicly available consolidated financial statements that incorporate the results of the company. Copies of those consolidated financial statements may be obtained from the address given on page 1.

Camelot Topco Limited is the ultimate parent company and the parent undertaking of the largest group which prepares publicly available consolidated financial statements that incorporate the results of the company. Copies of the consolidated financial statements may be obtained from the address given on page 1.

The ultimate controlling party is Bridgepoint Europe IV Fund, managed by Bridgepoint Advisers Limited, which owns the majority of the shares in the ultimate parent company on behalf of various funds

18 Events after the reporting period

Since the balance sheet date the company has sold the freeholds of certain student accommodation and teaching premises which were simultaneously leased back by other group companies. These assets had a book value of £11.8m and the transactions yielded gross proceeds of £18.3m.