Registration number: 02573843

Queen Ethelburga's College Limited

Annual Report and Financial Statements

for the Year Ended 31 August 2022

Queen Ethelburga's College Limited

Contents

Queen Ethelburga's College Limited

Strategic Report for the Year Ended 31 August 2022

The directors present their strategic report for the year ended 31 August 2022.

Principal activity

The principal activity of the company is that of the operation of a private school.

Fair review of the business

Queen Ethelburga's College Limited saw a further decrease in pupil numbers as overseas recruitment slowed in the post-pandemic period. This was countered in part by a rationalisation of the fee levels charged by the school, leading to a 2% increase in turnover. The loss on ordinary activities before taxation was £1,649,695 (2021 - £947,976). The Balance Sheet on page 9 of the financial statements shows that the company's financial position, in terms of net assets has weakened to a net liabilities position of £982,704 as a result of the loss for the year, however in terms of cash, has strengthened.
The company's directors believe that further key performance indicators of the company are not necessary or appropriate for an understanding of the development, performance or position of the business, and that the ones identified are the key indicators that are used by the Board to monitor the company's performance.

Going concern

The current economic conditions present increased risks for all businesses. In response to such uncertain conditions, the directors have carefully considered these risks and the extent to which they might affect the preparation of the financial statements on a going concern basis.
The directors of the company have considered in detail the company's forecast performance, including its cash reserves. On this basis, the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. Accordingly, the directors of the company have adopted the going concern basis in preparing these financial statements.

Principal risks and uncertainties

The business' principal financial instrument is bank balances. The main purpose of this instrument is to finance the business' operations.
All the business' cash balances are held in a such a way that achieves a competitive rate of interest.
Competitive pressure in the UK is a continuing risk for the company. The company manages such risks by providing appropriate quality services to its customers.
The company's transactions are all in pound sterling and therefore there is no exposure to a movement in exchange rates.
The company is not exposed to any third party debt.
The company has some credit risk with customers and policies are in place to ensure the credit worthiness of all customers.

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

....
A K Martin
Director

Queen Ethelburga's College 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

Employment of disabled persons

The company's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.
Disabled employees receive appropriate training to promote their career development within the company. Employees who become disabled are retrained in their existing posts where possible or retrained for suitable alternative posts.

Employee involvement

Regular meetings are held between senior management and employee representatives to discuss matters of concern. Employees are kept well informed about the progress and position of the company by means of regular departmental meetings, newsletters and journals.

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.

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

....

A K Martin

Director

Queen Ethelburga's College 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.

Queen Ethelburga's College Limited

Independent Auditor's Report to the Members of Queen Ethelburga's College Limited

Opinion

We have audited the financial statements of Queen Ethelburga's College 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.

Independent Auditor's Report to the Members of Queen Ethelburga's College 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have 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 Strategic Report and 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 3], 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.

Independent Auditor's Report to the Members of Queen Ethelburga's College 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. Performing a review of inter-company recharges for reasonableness.

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.

Independent Auditor's Report to the Members of Queen Ethelburga's College 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

Queen Ethelburga's College Limited

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

	Note	2022 £	2021 £
Turnover	3	18,371,554	17,963,752
Cost of sales		(9,124,717)	(9,062,755)
Gross profit		9,246,837	8,900,997
Administrative expenses		(10,787,212)	(10,191,647)
Other operating income		2,466	369,405
Operating loss	4	(1,537,909)	(921,245)
Interest payable and similar charges	6	(111,786)	(26,731)
Loss before tax		(1,649,695)	(947,976)
Taxation	10	253,823	(1,034,800)
Loss for the financial year		(1,395,872)	(1,982,776)
Retained earnings brought forward		413,068	2,395,844
Retained earnings carried forward		(982,804)	413,068

The notes on pages 10 to 22 form an integral part of these financial statements.

Queen Ethelburga's College Limited

(Registration number: 02573843)
Balance Sheet as at 31 August 2022

	Note	2022 £	2022 £	(As restated) 2021 £	(As restated) 2021 £
Fixed assets					
Tangible assets	11		6,717,470		7,181,391
Current assets					
Debtors	12	43,295		219,062	
Cash at bank and in hand		11,088,033		10,375,333	
		11,131,328		10,594,395	
Creditors: Amounts falling due within one year	13	(18,350,171)		(17,105,798)	
Net current liabilities			(7,218,843)		(6,511,403)
Total assets less current liabilities			(501,373)		669,988
Creditors: Amounts falling due after more than one year	13		(211,511)		-
Provisions for liabilities	14		(269,820)		(256,820)
Net (liabilities)/assets			(982,704)		413,168
Capital and reserves					
Called up share capital	16	100		100	
Profit and loss account	17	(982,804)		413,068	
Total equity			(982,704)		413,168

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

....

C J Hall

Director

The notes on pages 10 to 22 form an integral part of these financial statements.

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
Thorpe Underwood
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 Related Party Disclosures 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.

Name of parent of group

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

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

Going concern

In making the going concern assessment, the directors have considered the net current 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 £7,218,843.
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 amounts due to group undertakings, deferred income, other creditors have been reclassified in 2021 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 were £5,393,975, amounts due to group undertakings were £9,643,411, other creditors were £996,500 and payments on account were £nil. After reclassification, the 2021 comparative amounts due to group undertakings are £2,545,155, accruals and deferred income are £62,170, other creditors are £2,340,515, and payments on account are £11,086,046.

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 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.

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 £6,717,470 (2021 - £7,181,391).

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 £43,295 (2021 - £219,062).

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 and holiday letting income receivable in the summer months, 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.

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 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% to 25% straight line
Plant and machinery	12.5% - 25% straight line
Fixtures, fittings and equipment	10% 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. As stated in the notes to the financial statements, 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.

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	18,371,554	17,963,752

4 Operating loss

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	1,343,186	1,428,137

5 Government grants

During the year the company has received grant income of £1,666 (2021 - £368,664) in respect of the Coronavirus Job Retention Scheme.

6 Interest payable and similar expenses

	2022 £	2021 £
Other interest payable	111,786	26,731

7 Staff costs

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

	2022 £	2021 £
Wages and salaries	6,309,337	5,920,371
Social security costs	608,575	537,113
Pension costs, defined contribution scheme	96,548	57,400
Pension costs, defined benefit scheme	543,395	573,531
	7,557,855	7,088,415

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

	2022 No.	2021 No.
Administration and support	42	38
Other departments	171	181
	213	219

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022 £	2021 £
Remuneration	143,059	132,081
Contributions paid to defined contribution schemes	4,634	4,984
	147,693	137,065

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

	2022 No.	2021 No.
Accruing benefits under defined contribution schemes	2	2

9 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	18,500	17,000

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

10 Taxation

Tax charged/(credited) in the income statement

	2022 £	2021 £
Current taxation		
UK corporation tax	(266,838)	33,000
UK corporation tax adjustment to prior periods	15	985,200
	(266,823)	1,018,200
Deferred taxation		
Arising from origination and reversal of timing differences	13,000	(26,600)
Arising from changes in tax rates and laws	-	43,200
Total deferred taxation	13,000	16,600
Tax (credit)/charge in the profit and loss account	(253,823)	1,034,800

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	(1,649,695)	(947,976)
Corporation tax at standard rate	(313,442)	(180,115)
Effect of revenues exempt from taxation	(36,672)	(2,411)
Effect of expense not deductible in determining taxable profit (tax loss)	112,508	188,926
Deferred tax (credit)/expense relating to changes in tax rates or laws	(16,217)	43,200
Increase in UK and foreign current tax from adjustment for prior periods	-	985,200
Total tax (credit)/charge	(253,823)	1,034,800

Deferred tax

Deferred tax assets and liabilities

2022	Asset £	Liability £
Accelerated capital allowances	-	239,400
Other timing differences	-	(46,400)
	-	193,000

2021	Asset £	Liability £
Accelerated capital allowances	-	207,933
Other timing differences	-	(27,933)
	-	180,000

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 £144,860 (2021 - £35,057).

11 Tangible assets

	Short leasehold improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost or valuation				
At 1 September 2021	18,514,448	64,451	42,643	18,621,542
Additions	-	23,820	855,445	879,265
Reclassifications	3,401	(3,401)	-	-
At 31 August 2022	18,517,849	84,870	898,088	19,500,807
Depreciation				
At 1 September 2021	11,391,795	22,774	25,582	11,440,151
Charge for the year	1,306,108	7,224	29,854	1,343,186
Reclassifications	849	(849)	-	-
At 31 August 2022	12,698,752	29,149	55,436	12,783,337
Carrying amount				
At 31 August 2022	5,819,097	55,721	842,652	6,717,470
At 31 August 2021	7,122,653	41,677	17,061	7,181,391

12 Debtors

Current	2022 £	2021 £
Trade debtors	43,295	219,062

13 Creditors

	2022 £	(As restated) 2021 £
Due within one year		
Payments on account	10,863,619	11,086,046
Trade creditors	1,735,660	1,010,612
Amounts due to group undertakings	1,194,220	2,545,155
Other creditors	4,479,325	2,340,515
Accrued expenses and deferred income	75,432	62,170
Corporation tax liability	1,915	61,300
	18,350,171	17,105,798
Due after one year		
Trade creditors	211,511	-

14 Deferred tax and other provisions

	Deferred tax £	Other provisions £
At 1 September 2021	180,000	76,820
Increase (decrease) in existing provisions	13,000	-
At 31 August 2022	193,000	76,820

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.

15 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 £96,548 (2021 - £57,400).

Defined benefit pension scheme

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 £543,395 (2021 - £573,531) 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.

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.

16 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.

17 Reserves

Share capital
Represents the nominal value of issued shares.
Profit and loss account
Includes all current and prior periods distributable profits and losses.

18 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	2,863,687	3,016,592
Later than one year and not later than five years	4,838,857	5,081,976
Later than five years	1,689,106	2,673,314
	9,391,650	10,771,882

The amount of non-cancellable operating lease payments recognised as an expense during the year was £2,863,687 (2021 - £ 3,016,592).

19 Commitments

Pension commitments

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

20 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: £292,159). 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.

21 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.