

Kellis Group Limited

**Annual Report
for the year ended 31 December 2018**

Registered number: 04564484



Kellis Group Limited

Contents

	Page
Company information	1
Director's report	2
Statement of directors' responsibilities	3
Income statement	4
Balance sheet	5
Statement of changes in equity	6
Notes to the financial statements	7

Kellis Group Limited

Company Information

Directors

Robyn Johnstone
William Etchell (resigned 31 March 2019)

Secretary and registered office

K Spedding
Second Floor
Sir Wilfrid Newton House
Thorncliffe Park
Chapelton
Sheffield
South Yorkshire
S35 2PH

Company number

04564484

Kellis Group Limited

Director's Report

The directors presents their Report and financial statements of the Company for the year ended 31 December 2018.

Review of the business

The Company was dormant throughout 2018 and did not trade during the year or subsequent to the year end.

The Company is a private company limited by shares, incorporated and domiciled in the United Kingdom.

The income statement is set out on page 4 and shows a loss for the financial year of £142,479 (2017: £nil).

Going concern

The director has a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found within the accounting policies section in the notes to the financial statements.

Dividends

No dividends were paid during the year (2017: £nil). The director does not recommend payment of a final dividend (2017: £nil).

Directors

The directors who served throughout the year and up to the date of signing the financial statements was as follows:

Robyn Johnstone (appointed 30 March 2019)
William Etchell (resigned 31 March 2019)

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

Approved by the Board on 30 September 2019 and signed on its behalf by:



Robyn Johnstone
Director

Kellis Group Limited

Statement of directors' responsibilities in respect of the financial statements

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 101 "Reduced Disclosure Framework", 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 101, 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.

Kellis Group Limited

Income statement For the year ended 31 December 2018

	Note	2018 £	2017 £
Administrative expenses		(142,479)	-
Operating result before exceptional items		-	-
Exceptional items included within administrative expenses	3	(142,479)	-
Operating (loss)/result before taxation	4	(142,479)	-
Income tax	6	-	-
Loss/result for the financial year		<u>(142,479)</u>	<u>-</u>

There is no difference between the operating loss before taxation and the loss for the financial year stated above and their historical cost equivalents.

The company has no recognised gains or losses other than its loss/result for the financial years ended 31 December 2018 and 2017, and hence no separate statement of other comprehensive income has been presented.

The notes on pages 7 to 15 form an integral part of these financial statements.

Kellis Group Limited
Registered number: 04564484

Balance Sheet
As at 31 December 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Investments	7		101		101
Current assets					
Trade and other receivables	8	-		142,479	
Creditors: Amounts falling due within one year	9	(70,000)		(70,000)	
Net current (liabilities)/assets			(70,000)		72,479
Total assets less current liabilities			(69,899)		72,580
Net (liabilities)/assets			(69,899)		72,580
Equity					
Called up share capital	10		1,000		1,000
Share premium account			9,000		9,000
(Accumulated losses)/retained			(79,899)		62,580
Shareholders' (deficit)/funds			(69,899)		72,580

The notes on pages 7 to 15 form an integral part of these financial statements.

The board is satisfied that the Company is entitled to exemption from the requirement to obtain an audit under section 480 of the Companies Act 2006 and that the member has not required the Company to obtain an audit in accordance with section 476 of the Act.

The director acknowledges their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements on pages 4 to 15 were approved by the board of directors on 30 September 2019 and were signed on its behalf by:



Robyn Johnstone
Director

Kellis Group Limited

Statement of changes in equity As at 31 December 2018

	Called up share capital £	Share premium account £	Accumulated losses £	Total Shareholders' deficit £
Balance at 1 January 2017	1,000	9,000	62,580	72,580
Result for the year	-	-	-	-
Total comprehensive result for the year	-	-	-	-
Balance at 31 December 2017 and 1 January 2018	1,000	9,000	62,580	72,580
Loss for the year	-	-	(142,479)	(142,479)
Total comprehensive expense for the year	-	-	(142,479)	(142,479)
Balance at 31 December 2018	1,000	9,000	(79,899)	(69,899)

The notes on pages 7 to 15 form an integral part of these financial statements.

Kellis Group Limited

Notes to the financial statements for the year ended 31 December 2018

1. Accounting policies

Kellis Group Limited ('the company') is a dormant company.

The company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is Second Floor, Sir Wilfrid Newton House, Thorncliffe Park, Chapeltown, Sheffield, S35 2PH.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and all the years presented, unless otherwise stated.

The financial statements are presented in GBP, which is also the Company's functional currency.

Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the financial statements are prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The financial statements have been prepared on the historical cost basis, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The following standards, amendments and interpretations became effective from 1 January 2018:

	Effective from
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018

The Company has applied IFRS 9 for the first time in these financial statements. IFRS 9 sets out requirements for recognising and measuring financial assets and financial liabilities and replaces IAS 39 Financial Instruments: Recognition and Measurement.

The company has applied the IFRS 9 with effect from 1 January 2018. This has not led to any changes in the basis of the measurement categories of either financial assets or financial liabilities, although it has led to changes in the carrying amounts of certain financial assets for the Company, arising from a change in the measurement of impairment. The comparative period have not been restated and reflect the requirements of IAS 39.

The introduction of IFRS 15 did not impact the Company. The Company is a dormant company, and as such does not generate revenue from customers.

Kellis Group Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

1. Accounting policies (continued)

Basis of preparation (continued)

As permitted by FRS 101, the Company has taken advantage of some of the disclosure exemptions available under that standard. The key exemptions taken are as follows:

IAS 1 – Information on management of capital

IAS 7 – statement of cash flows

IAS 8 - disclosures in respect of new standards and interpretations that have been issued but are not yet effective

IAS 24 - disclosure of key management compensation and for related party disclosures entered into between two or more members of a group;

IFRS 7 – disclosures in respect of financial instruments

Where required, equivalent disclosures are given in the group financial statements of Education Placement Group Limited. The group financial statements of Education Placement Group Limited are available to the public and can be obtained as set out in note 11.

Going concern

The Company's ultimate parent company, Education Placement Group Limited, has provided confirmation that it will continue to fund the financial liabilities of the Company for a period of at least twelve months from the date of signing these financial statements, and therefore, the validity of the going concern assumption depends on the Education Placement Group Limited group ("the Group") being able to manage its finances within its own available funding.

In their consideration of going concern, the directors have taken account of the financial forecasts of the Group for the next 12 months. In particular they have considered both the sufficiency of the Group's current banking facilities and its ability to meet the banking covenants associated with these facilities. As a result of this review the directors consider that the facilities available are adequate and that compliance with covenants can be managed.

Investments

Fixed asset investments, including investments in subsidiaries and associates, are shown at cost less provision for impairment.

Exceptional items

Exceptional items are disclosed separately on the face of the income statement. They include any components of financial performance which management consider significant to the Company's results and/or which separate disclosure would provide further understanding of the financial performance of the Company. Such items may include:

- Costs relating to business combinations
- Restructuring or rationalisation programmes
- The sale or impairment of tangible or intangible assets
- Other non-recurring items

Kellis Group Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

1. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL).

Classification

IFRS 9 replaces the incurred loss model in IAS 39 with an expected credit loss (ECL) model for financial assets measured at amortised costs, contract assets and debt investments at fair value through other comprehensive income (FVTOCI). A financial asset is measured at amortised cost where it is held within a model whose objective is to hold and collect the contractual cash flows and those contractual cash flows comprise solely of payments of principal and interest. A financial asset is measured at FVTOCI where it is held in a business model whose objective is both collecting contractual cash flows and selling those financial assets, and the contractual cash flows comprise solely payments of principal and interest. All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets are not reclassified subsequent to initial recognition unless the Company changes its business model.

Financial assets include the following items:

- Trade receivables and other short-term receivables, which are initially recognised at fair value and subsequently carried at amortised cost.
- Cash and cash equivalents

Initial measurement

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs directly attributable to its acquisition or issue. Trade receivables without a significant financing component are initially recognised at their transaction amount.

Subsequent measurement

Assets classified as at amortised cost are subsequently measured using the effective interest method. The effective interest rate is the rate that exactly discounts the future cash receipts through the life of the instrument to the net carrying amount on initial recognition. Interest income is recognised in profit or loss.

Kellis Group Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

1. Accounting policies (continued)

Financial assets (continued)

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL) for trade receivables, with ECL being losses that arise from possible default events over the expected life of the financial instrument. ECLs are a probability weighted estimate of credit losses, measured as the present value of cash shortfalls, discounted at the effective interest rate of the financial asset. Lifetime ECLs are the ECLs from all possible default events over the expected life of the financial instrument and are based on quantitative and qualitative information, based on historical experience and forward-looking information. ECL losses are recognised through profit or loss within the statement of comprehensive income.

Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or the company transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership are transferred, or in which the company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Kellis Group Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Judgements

Management have considered critical accounting judgements within the financial statements. Management have not identified any critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management have considered the key sources of estimation uncertainty within the financial statements. 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 discussed below.

Expected credit losses

The Company estimates expected credit losses on receivables held at amortised cost by considering the historic losses suffered from comparable counterparties, adjusted to reflect the impact arising from future possible changes. Further detail is provided in note 8.

3. Exceptional items

	2018 £	2017 £
Impairment of balances due from group undertakings (note 8)	<u>142,479</u>	<u>-</u>

4. Loss before taxation

Loss before taxation is stated after charging:

	2018 £	2017 £
Impairment of balances due from group undertakings (note 8)	<u>142,479</u>	<u>-</u>

Kellis Group Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

5. Staff costs

The average monthly number of employees (including executive directors) was:

	2018 Number	2017 Number
Administration	<u>1</u>	<u>1</u>

The one employee (2017: one) was also a director of the Company.

No remuneration has been paid to the director in the year (2017: £nil). Directors' emoluments have been borne by the Company's ultimate parent Education Placement Group Limited. The director did not receive any emoluments in respect of their services to the Company.

6. Income tax

There is no charge in respect of corporation tax in the year (2017: £nil).

The £nil expense for the year can be reconciled to the loss before taxation at the standard rate of corporation tax in the United Kingdom applied to the loss for the year as follows:

	2018 £	2017 £
Loss before taxation	<u>(142,479)</u>	<u>-</u>
Tax on loss at standard United Kingdom corporation tax rate of 19% (2017: 19.25%)	(27,071)	-
Effects of:		
Expenses not deductible for tax purposes	27,071	-
Total tax expense for the year	<u>-</u>	<u>-</u>

Kellis Group Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

7. Investments

	£
Cost	
At 1 January 2018 and 31 December 2018	<u>205</u>
Provisions for impairment	
At 1 January 2018 and 31 December 2018	<u>104</u>
Net book value	
At 31 December 2017 and 31 December 2018	<u>101</u>

The Company has the following wholly owned subsidiary undertakings at 31 December 2018.

Name	Country of incorporation or registration	Proportion of Ownership Interest	Nature of business
Synarbor Support Services Limited	England	100%	Dormant
Levy Direct Limited	England	100%	Dormant
Global Education Limited	England	100%	Dormant
Global IT & Finance Limited	England	100%	Dormant
Kellis Limited	England	100%	Dormant
Intercede 2500 Limited	England	100%	Dormant
Intercede 3000 Limited	England	100%	Dormant

For all undertakings listed above the country of operation is the same as the country of incorporation or registration.

The registered office address for all of the undertakings listed above is; Second Floor, Sir Wilfrid Newton House, Thorncliffe Park, Chapeltown, Sheffield, S35 2PH.

Kellis Group Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

8. Trade and other receivables

	2018 £	2017 £
Amounts owed by group undertakings	<u>-</u>	<u>142,479</u>

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

All amounts shown under trade and other receivables fall due for payment within one year.

The Company has applied IFRS 9 for the first time in these financial statements. For amounts owed by group undertakings, the Company measures expected credit losses (ECL) using a 12 month expected credit loss provision or a lifetime expected credit loss provision dependent on the assessment of the change in credit risk. The ECL provision is based on an assessment, on a company by company basis, of the likelihood that the group undertaking will be able to settle the debt. For balances assessed to be in stage 1, being where credit risk has not increased significantly since initial recognition, the assessment takes into account the company's net asset position, and financial forecasts for the next 12 months. For balances assessed to be in stage 2 or stage 3, being where credit risk has increased significantly since initial recognition or where the financial asset is credit impaired, the assessment takes into account a range of possible outcomes based on a weighted average probability that the outcomes will succeed or not.

On adoption of IFRS 9 the Company recognised an impairment allowance of £142,479 in respect of amounts owed by Group undertakings.

The Company has chosen not to restate comparatives on adoption of IFRS 9 and therefore are not reflected as a restatement in the prior year financial statements. Rather, these changes have been processed at the date of initial application (1 January 2018), and recognised in equity in the current period. The impairment allowance on initial application would have been £142,479.

At 31 December 2018, the expected credit loss provision in respect of amounts owed by group undertakings was as follows:

	Gross Carrying Amount 2018 £	Loss Provision 2018 £	Gross Carrying Amount 2017 £	Loss Provision 2017 £
Stage 3	<u>142,479</u>	<u>142,479</u>	<u>142,479</u>	<u>-</u>

Amounts owed by group undertakings have no fixed repayment date, and therefore an overdue ageing profile has not been provided.

Kellis Group Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

9. Creditors – amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	<u>70,000</u>	<u>70,000</u>

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

10. Share capital

	2018 £	2017 £
Allotted and fully paid		
1,000 (2017: 1,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

11. Controlling party

The company's immediate parent undertaking is Synarbor Limited.

The company's ultimate parent undertaking is Education Placement Group Limited, a company incorporated in the United Kingdom.

The Company's ultimate controlling party is Sovereign Capital Partners LLP (registered number OC309409). The registered office of Sovereign Capital Partners LLP is 25 Victoria Street, London, SW1H 0EX.

Education Placement Group Limited is the smallest and largest group to consolidate these financial statements.

Copies of the Education Placement Group Limited group financial statements are publicly available and can be obtained from Education Placement Group Limited, Sir Wilfrid House, Thorncliffe Park, Chapeltown, Sheffield, S35 2PH.