

Kedleston (Wings Education) Limited

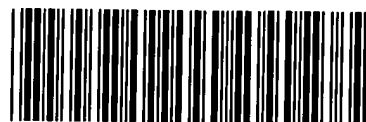
Annual Report and Financial Statements

Year Ended

31 December 2017

Company Number 04627039

TUESDAY



A29 *A7DS5F5C* #55
04/09/2018
COMPANIES HOUSE

Kedleston (Wings Education) Limited

Contents

	Page
Company Information	
Strategic Report	1
Directors' Report	2
Directors' Responsibilities Statement	3
Independent Auditor's Report	4 - 6
Statement of Income and Retained Earnings	7
Statement of Financial Position	8
Notes to the Financial Statements	9 - 21

Company Information

Directors	P Brosnan D Brosnan A Hurran
Company secretary	A Hurran
Registered number	04627039
Registered office	Office Suit No. 1 Ansell Gardens Holloway Lane Harmondsworth West Drayton England UB7 0AE
Independent auditor	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

Kedleston (Wings Education) Limited

Strategic Report For the Year Ended 31 December 2017

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2017.

Business review

The principal activity of the company is that of the operation of residential and day schools for young people with a variety of special education needs.

The trading results for the period and the company's financial position at the end of the year are shown in the attached financial statements.

The company is committed to providing the highest possible standards of education and care and invests strongly in ensuring the quality of its operations.

The financial position at the year end was considered satisfactory by the directors.

The company has net current assets of £11.4m (2016 - £9.0m) and net assets have increased to £28.1m due to the profit in the year.

Principal risks and uncertainties

The market for special schools remains strong despite the challenging economic and increasingly challenging regulatory climate. An increase in the number of children being taken into care combined with an increase in exclusions from mainstream schools will continue to drive demand.

The majority of fees are paid by Local Authorities at the start of a term therefore the credit risk is minimal.

The company monitors cash flow as part of its day to day control procedures. The Board considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary.

Financial and other key performance indicators

The directors monitor the business activity through key performance indicators which include:

- Ofsted reports/gradings
- Employee turnover and absence
- Safeguarding and compliance reports
- Pupil attendance and absence rates
- Teaching and learning performance
- Financial performance

This report was approved by the board on 17/7/2018

and signed on its behalf.


A Hurren
Director

Kedleston (Wings Education) Limited

Directors' Report For the Year Ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Results and dividends

The profit for the year, after taxation, amounted to £2,450,739 (2016 - £1,527,480).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

P Brosnan
D Brosnan
A Hurran

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

In May 2018 the Kyanite Limited group, of which this company is a member of, refinanced all of its bank loans and loan notes, which as at 31 December 2017 totalled just under £73m. As part of this transaction a new bank loan was drawn totalling £48m for a period of 6 years, and additional equity was issued at Kyanite Limited. The new structure provides the group with significantly enhanced financial stability and funds to develop and invest in the business.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 17/7/2018

and signed on its behalf.



A Hurran
Director

Kedleston (Wings Education) Limited

Directors' Responsibilities Statement For the Year Ended 31 December 2017

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under Company law the directors must not approve the financial statements unless they are satisfied that they 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

Kedleston (Wings Education) Limited

Independent Auditor's report to the member of Kedleston (Wings Education) Limited

Opinion

We have audited the financial statements of Kedleston (Wings Education) Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Income and Retained Earnings, the Statement of financial position 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 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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's 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

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

- 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.

Kedleston (Wings Education) Limited

Independent Auditor's report to the member of Kedleston (Wings Education) Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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, including the Directors' Report and the Strategic Report, 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.

Opinions on other matters 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the 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 the 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 in relation to which 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.

Kedleston (Wings Education) Limited

Independent Auditor's report to the member of Kedleston (Wings Education) Limited (continued)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement 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's 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.

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.

Use of our report

This report is made solely to the company's member 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 member 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 member, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Stephen Le Bas (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton
United Kingdom

18/7/2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Kedleston (Wings Education) Limited

Statement of Income and Retained Earnings For the Year Ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	10,755,910	7,239,516
Cost of sales		(4,731,003)	(3,879,078)
Gross profit		6,024,907	3,360,438
Administrative expenses		(3,572,222)	(3,398,690)
Other operating income	5	185,000	1,566,662
Operating profit	6	2,637,685	1,528,410
Interest receivable and similar income	9	1,323	2,070
Profit before tax		2,639,008	1,530,480
Tax on profit	10	(188,269)	(3,000)
Profit after tax		2,450,739	1,527,480
Retained earnings at the beginning of the year		25,525,317	23,997,837
		25,525,317	23,997,837
Profit for the year		2,450,739	1,527,480
Retained earnings at the end of the year		27,976,056	25,525,317

The notes on pages 9 to 21 form part of these financial statements.


Kedleston (Wings Education) Limited

Registered number: 04627039

Statement of Financial Position As at 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	11		16,488,532		16,412,450
Investment property	12		349,002		349,002
			<u>16,837,534</u>		<u>16,761,452</u>
Current assets					
Stocks	13	11,100		11,100	
Debtors: amounts falling due within one year	14	16,251,239		28,425,861	
Cash at bank and in hand		442,716		171,605	
		<u>16,705,055</u>		<u>28,608,566</u>	
Creditors: amounts falling due within one year	15	(5,342,594)		(19,609,031)	
Net current assets			<u>11,362,461</u>		<u>8,999,535</u>
Total assets less current liabilities			<u>28,199,995</u>		<u>25,760,987</u>
Provisions for liabilities					
Deferred tax	16		(140,605)		(152,336)
Net assets			<u><u>28,059,390</u></u>		<u><u>25,608,651</u></u>
Capital and reserves					
Called up share capital	17	83,334		83,334	
Profit and loss account	18	27,976,056		25,525,317	
		<u>28,059,390</u>		<u>25,608,651</u>	

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



P Brosnan
Director

17/7/2018

The notes on pages 9 to 21 form part of these financial statements.

Kedleston (Wings Education) Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

1. General information

Kedleston (Wings Education) Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Kedleston Schools Limited as at 31 December 2017 and these financial statements may be obtained from Office Suite No. 1 Ansell Gardens, Holloway Lane, Harmondsworth, West Drayton, England, UB70AE.

2.3 Going concern

The financial statements have been prepared on the going concern basis. The directors have prepared detailed budgets for a period of at least 12 months from the date of signing of the accounts which show the company being able to meet all its liabilities as they fall due.

Post year end the group has successfully refinanced its loan facilities and as a result the Directors have prepared the financial statements on a going concern basis.

2.4 Revenue

Turnover represents income from school fees for the period to which it relates. School fees received in advance are treated as deferred income on the balance sheet.

Kedleston (Wings Education) Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line with 20% residual value
Plant and machinery	- 20-33% straight line
Motor vehicles	- 33% straight line
Fixtures and fittings	- 20-33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

Freehold land is not depreciated.

2.6 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Income and Retained Earnings.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Kedleston (Wings Education) Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.13 Capitalisation of interest

Interest incurred on borrowings financing the construction of tangible fixed assets is capitalised gross of tax relief.

2.14 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

Kedleston (Wings Education) Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income 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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are management's best knowledge of the amount, events or actions, actual amounts ultimate may differ from those estimates.

The directors do not consider there to be any critical estimates and judgments in these financial statements.

Kedleston (Wings Education) Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Fees	<u>10,755,910</u>	<u>7,239,516</u>

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

5. Other operating income

	2017 £	2016 £
Insurance proceeds	<u>185,000</u>	<u>1,566,662</u>

6. Operating profit

The operating profit is stated after charging/(crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets	380,545	386,933
Profit on disposal of tangible fixed assets	<u>(5,480)</u>	<u>(5,750)</u>

The audit fee for the year totalling £6,200 (2016 - £6,000) will be borne by Kedleston Schools Limited.

Kedleston (Wings Education) Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

7. Employees

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,266,367	3,691,400
Social security costs	398,871	334,437
Cost of defined contribution scheme	236,263	213,235
	<u>4,901,501</u>	<u>4,239,072</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Employees	<u>189</u>	<u>165</u>

8. Directors' remuneration

No director received any emoluments during the current year (2016 - £Nil).

There were no directors in the company's defined contribution pension scheme during the year (2016 - Nil).

9. Interest receivable

	2017 £	2016 £
Other interest receivable	<u>1,323</u>	<u>2,070</u>

Kedleston (Wings Education) Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

10. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	200,000	-
	<u>200,000</u>	<u>-</u>
Total current tax	<u>200,000</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	45,929	3,000
Adjustments in respect of previous periods	(57,660)	-
Total deferred tax	<u>(11,731)</u>	<u>3,000</u>
Taxation on profit on ordinary activities	<u>188,269</u>	<u>3,000</u>

Kedleston (Wings Education) Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>2,639,008</u>	<u>1,530,480</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	508,009	306,096
Effects of:		
Expenses not deductible for tax purposes	48,767	54,004
Adjustments to tax charge in respect of prior periods	(57,660)	-
Other timing differences leading to an increase (decrease) in taxation	-	(37,100)
Tax rate changes	(5,055)	(14,429)
Group relief not paid for	(305,792)	(305,571)
Total tax charge for the year	<u><u>188,269</u></u>	<u><u>3,000</u></u>

Factors that may affect future tax charges

Following the Summer Budget 2015 announcements, there will be a reduction in the main rate of corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020. In the 2016 Budget, the Government announced that the UK corporation tax rate will decrease further to 17% from 1 April 2020. Accordingly, deferred tax balances recognised in the accounts as at the year-end have been calculated using the 17% rate.

Kedleston (Wings Education) Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

11. Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2017	17,473,673	1,070,486	199,860	505,413	19,249,432
Additions	236,115	87,176	44,911	90,870	459,072
Disposals	-	(2,300)	(43,973)	-	(46,273)
At 31 December 2017	17,709,788	1,155,362	200,798	596,283	19,662,231
Depreciation					
At 1 January 2017	1,382,107	819,009	180,162	455,704	2,836,982
Charge for the year on owned assets	289,417	53,771	14,349	23,008	380,545
Disposals	-	(155)	(43,673)	-	(43,828)
At 31 December 2017	1,671,524	872,625	150,838	478,712	3,173,699
Net book value					
At 31 December 2017	16,038,264	282,737	49,960	117,571	16,488,532
At 31 December 2016	16,091,566	251,477	19,698	49,709	16,412,450

Kedleston (Wings Education) Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

12. Investment property

	Freehold investment property £
Valuation	
At 1 January 2017	349,002
At 31 December 2017	349,002

The directors have assessed the valuation of the property and have concluded that there is no material change to its value.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2017 £	2016 £
Historic cost	349,002	349,002
Accumulated depreciation and impairments	(11,168)	(5,584)
	337,834	343,418

13. Stocks

	2017 £	2016 £
Raw materials and consumables	11,100	11,100
	11,100	11,100

There is no material difference between the replacement cost of stock and the amounts stated above.

Kedleston (Wings Education) Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

14. Debtors

	2017 £	2016 £
Trade debtors	1,751,604	1,449,596
Amounts owed by group undertakings	14,336,812	25,739,976
Other debtors	53,824	1,146,664
Prepayments and accrued income	108,999	89,625
	<u>16,251,239</u>	<u>28,425,861</u>

15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	140,240	194,592
Amounts owed to group undertakings	903,517	16,407,637
Corporation tax	200,000	-
Taxation and social security	112,240	87,452
Other creditors	427,487	548,727
Accruals and deferred income	3,559,110	2,370,623
	<u>5,342,594</u>	<u>19,609,031</u>

16. Deferred taxation

	2017 £	2016 £
At beginning of year	(152,336)	(149,336)
Credited/(Charged) to profit or loss	11,731	(3,000)
At end of year	<u>(140,605)</u>	<u>(152,336)</u>

Kedleston (Wings Education) Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

16. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	165,065	166,000
Short term timing differences	(24,460)	(13,664)
	<u>140,605</u>	<u>152,336</u>

17. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
83,334 Ordinary shares of £1 each	<u>83,334</u>	<u>83,334</u>

18. Reserves

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

19. Contingent liabilities

As at the year end, the company has given a cross guarantee for all monies owed by the group (which the company is part of) to the bank and all monies owed to the PIK loan note holders and mezzanine loan providers. Further disclosure is noted in the group consolidated accounts.

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £236,263 (2016 - £213,235). Contributions totalling £45,884 (2016 - £59,626) were payable to the fund at the reporting date.

Kedleston (Wings Education) Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

21. Related party transactions

The company has taken advantage of the exemption conferred by section 33.1A of FRS102 not to disclose transactions with other wholly owned subsidiaries within the group as consolidated accounts, including the subsidiary undertakings, are publicly available.

	Management charges paid £	Amounts owed by related parties £
2016		
Fellow subsidiaries	945,571	25,739,976
	<u>945,571</u>	<u>25,739,976</u>

The 2016 fellow subsidiaries were related by virtue of being part of the group in which Kedleston (Wings Education) Limited was a 94% subsidiary of. During 2017, the company became a 100% owned subsidiary.

22. Controlling and ultimate controlling party

The company's immediate parent undertaking is Kedleston Wings Holdco Limited, a company incorporated in England and Wales. The ultimate parent company is Kyanite Limited, a company incorporated in Jersey.

The largest group in which the results of the company are consolidated is that headed by Kyanite Limited, incorporated in Jersey. The consolidated accounts are available to the public and may be obtained from One, The Esplanade, St Helier, JE2 SQA.

The smallest group in which they are consolidated is that headed by Kedleston Schools Limited, incorporated in England and Wales. The consolidated accounts are available to the public and may be obtained from the registered office of the company which is Kedleston Group Limited, Office Suite No.1 Ansell Gardens, Holloway Lane, Harmondsworth, West Drayton, UB7 0AE.

There is no one controlling party.