

**Kedleston (Wings Education)  
Limited**

Annual Report and Financial Statements

Year Ended

31 December 2021

Company Number 04627039

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# **Kedleston (Wings Education) Limited**

## **Company Information**

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<b>Directors</b>	P Brosnan A Hurran
<b>Company secretary</b>	A Hurran
<b>Registered number</b>	04627039
<b>Registered office</b>	Unit 8 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX
<b>Independent auditor</b>	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

# **Kedleston (Wings Education) Limited**

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# **Kedleston (Wings Education) Limited**

## **Strategic Report For the Year Ended 31 December 2021**

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The directors present their strategic report together with the audited financial statements for the year ended 31 December 2021.

### **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 £22.5m (2020 - £19.6m) and net assets have increased to £38.3m due to the profit in the year.

### **Principal risks and uncertainties**

Kedleston provide highly specialist services and are a trusted partner to many Local Authorities.

The majority of fees are paid by Local Authorities at the start of a term therefore the credit risk is minimal. However Local Authorities are increasing pressure to make payment in arrears and the company will monitor this and ensure the appropriate working capital facilities are in place.

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.

### **Going concern**

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the group is expected to be able to meet all its liabilities as they fall due. Consideration has been given to the profound impact that COVID-19 has had on the UK economy and businesses and how that may continue to affect the economy into 2022.

The going concern for the company is considered at a group level. The directors have produced a detailed going concern stress test for Kyanite Limited group and Kedleston Group Limited group for which this entity is part of incorporating various scenarios including a reduction in new placements and increased operational costs. The conclusion of our stress test for Kyanite Limited group, for which this entity is part of is that the business could sustain a loss of revenue of between 5 and 10% which with the associated reduction in costs would result in a decline of EBITDA of between 5% and 10% over the course of the 12 months following the date of the financial statements, without exceeding current banking facilities. In 2022 the group has secured additional lending facilities to fund future development projects.

The directors are confident of being able to trade for a period of at least 12 months from the approval of the financial statements whilst complying with all banking requirements and without needing additional funds and the directors have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

# **Kedleston (Wings Education) Limited**

## **Strategic Report (continued) For the Year Ended 31 December 2021**

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### **Section 172 statement and emission reporting**

The company is not large and therefore not required to prepare these. However, they have been prepared and included in the parent company financial statements.

### **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 29 April 2022 and signed on its behalf.

**A Hurran**  
Director



# **Kedleston (Wings Education) Limited**

## **Directors' Report For the Year Ended 31 December 2021**

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The directors present their report together with the audited financial statements for the year ended 31 December 2021.

### **Results and dividends**

The profit for the year, after taxation, amounted to £2,483,951 (2020 - £1,862,181).

The directors do not recommend the payment of a dividend for the year under review (2020 - £Nil).

### **Directors**

The directors who served during the year were:

P 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.

### **Other matters**

In accordance with section 414C(11) of the Companies Act 2006, information regarding financial risk management, objectives and policies, going concern, information on exposure to price risk, credit risk, liquidity risk and cashflow risks and future developments has been disclosed in the strategic report.

### **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 29 April 2022 and signed on its behalf.



**A Hurran**  
Director

# **Kedleston (Wings Education) Limited**

## **Directors' Responsibilities Statement For the Year Ended 31 December 2021**

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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 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 then apply them consistently;
- 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. 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 Members of Kedleston (Wings Education) Limited

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### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit 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.

We have audited the financial statements of Kedleston (Wings Education) Limited ("the company") for the year ended 31 December 2021 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).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 financial statements are 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.



# **Kedleston (Wings Education) Limited**

## **Independent Auditor's Report to the Members of Kedleston (Wings Education) Limited (continued)**

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### **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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### **Other Companies Act 2006 reporting**

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.

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 or 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

# Kedleston (Wings Education) Limited

## Independent Auditor's Report to the Members of Kedleston (Wings Education) Limited (continued)

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### 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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override and considered that the principal risk was related to the posting of inappropriate journal entries to improve the result before tax for the year.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

Procedures performed by the audit team included:

- discussions with management regarding known or suspected instances of non-compliance with laws and regulations
- evaluation of controls designed to prevent and detect irregularities; and
- assessing journals entries as part of our planned audit approach.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# Kedleston (Wings Education) Limited

## Independent Auditor's Report to the Members of Kedleston (Wings Education) Limited (continued)

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### 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.

DocuSigned by:

*James Newman*

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**James Newman** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
United Kingdom  
Southampton

29 April 2022

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 2021

	Note	2021 £	2020 £
Turnover	4	13,503,060	12,444,306
Cost of sales		(7,070,665)	(6,892,339)
<b>Gross profit</b>		<b>6,432,395</b>	<b>5,551,967</b>
Administrative expenses		(3,565,910)	(3,265,935)
Other operating income	5	43,080	-
<b>Operating profit</b>	6	<b>2,909,565</b>	<b>2,286,032</b>
Tax on profit	9	(425,614)	(423,851)
<b>Profit after tax</b>		<b>2,483,951</b>	<b>1,862,181</b>
Retained earnings at the beginning of the year		35,720,013	33,857,832
Profit for the year		2,483,951	1,862,181
<b>Retained earnings at the end of the year</b>		<b>38,203,964</b>	<b>35,720,013</b>

The notes on pages 11 to 22 form part of these financial statements.

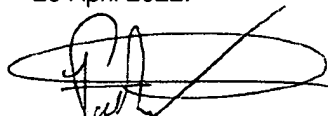
# Kedleston (Wings Education) Limited

Registered number: 04627039

## Statement of Financial Position As at 31 December 2021

	Note	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Tangible assets	10		16,138,580		16,425,479
<b>Current assets</b>					
Stocks	11	11,100		11,100	
Debtors: amounts falling due within one year	12	42,052,689		39,076,126	
Cash at bank and in hand		490,713		1,205,137	
		<u>42,554,502</u>		<u>40,292,363</u>	
Creditors: amounts falling due within one year	13	(20,094,829)		(20,695,098)	
<b>Net current assets</b>			<u>22,459,673</u>		<u>19,597,265</u>
<b>Total assets less current liabilities</b>			<u>38,598,253</u>		<u>36,022,744</u>
<b>Provisions for liabilities</b>					
Deferred tax	14		(310,955)		(219,397)
<b>Net assets</b>			<u><u>38,287,298</u></u>		<u><u>35,803,347</u></u>
<b>Capital and reserves</b>					
Called up share capital	15		83,334		83,334
Profit and loss account	16		38,203,964		35,720,013
<b>Total equity</b>			<u><u>38,287,298</u></u>		<u><u>35,803,347</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 April 2022.



**P Brosnan**  
Director

The notes on pages 11 to 22 form part of these financial statements.

# Kedleston (Wings Education) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 1. General information

Kedleston (Wings Education) Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity 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 judgement in applying the company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

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 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 11.42, 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 2021 and these financial statements may be obtained from Unit 8 Brook Business Centre, Cowley Mill Road, Uxbridge, Middlesex, UB8 2FX.

# Kedleston (Wings Education) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.3 Going concern

The financial statements have been prepared on the going concern basis as the directors have prepared detailed budgets for a period of at least 12 months from the date of signing the accounts which show that the group is expected to be able to meet all its liabilities as they fall due. Consideration has been given to the profound impact that COVID-19 has had on the UK economy and businesses and how that may continue to affect the economy into 2022.

The going concern for the company is considered at a group level. The directors have produced a detailed going concern stress test for Kyanite Limited group and Kedleston Group Limited group for which this entity is part of incorporating various scenarios including a reduction in new placements and increased operational costs. The conclusion of our stress test for Kyanite Limited group, for which this entity is part of is that the business could sustain a loss of revenue of between 5 and 10% which with the associated reduction in costs would result in a decline of EBITDA of between 5% and 10% over the course of the 12 months following the date of the financial statements, without exceeding current banking facilities. In 2022 the group has secured additional lending facilities to fund future development projects.

The directors are confident of being able to trade for a period of at least 12 months from the approval of the financial statements whilst complying with all banking requirements and without needing additional funds and the directors have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis.

#### 2.4 Turnover

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 statement of financial position.

#### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model 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% 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.

# **Kedleston (Wings Education) Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2021**

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### **2. Accounting policies (continued)**

#### **2.6 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 the statement of income and retained earnings.

#### **2.7 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.

#### **2.8 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.

#### **2.9 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.

#### **2.10 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.

#### **2.11 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the statement of income and retained earnings in the same period as the related expenditure.



# **Kedleston (Wings Education) Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2021**

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### **2. Accounting policies (continued)**

#### **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.

#### **2.15 Interest income**

Interest income is recognised in the statement of income and retained earnings using the effective interest method.

#### **2.16 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.

# Kedleston (Wings Education) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 2.17 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. Judgements in applying accounting policies and key sources of estimation uncertainty

Determine whether there are indicators of impairment of the company's tangible assets and amounts owed by group undertakings. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Key assumptions include:

#### *Operating cash flows*

The main assumptions, which are derived from past experience and external information, within the forecast operating cash flows include the achievements of future sale prices and volumes, material input costs, changes in sales mix and the level of ongoing capital expenditure.

#### *Discount rates*

The discount rate is a pre-tax adjusted discount rate and reflects management's estimate of the company's weighted average cost of capital.

#### *Long term growth rates*

The management forecasts are extrapolated using growth assumptions relevant for the business sector and are based on industry research.

# Kedleston (Wings Education) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 4. Turnover

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

	2021 £	2020 £
School fees	<u>13,503,060</u>	<u>12,444,306</u>

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

### 5. Other operating income

	2021 £	2020 £
Government grant income	<u>43,080</u>	<u>-</u>

### 6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	585,223	484,161
Operating lease rentals	3,547	-
Defined contribution pension cost	<u>308,680</u>	<u>304,067</u>

The audit fee for the year totalling £7,200 (2020 - £7,000) will be borne by Kedleston Schools Limited.

# Kedleston (Wings Education) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 7. Employees

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	5,962,341	5,789,039
Social security costs	580,359	555,737
Cost of defined contribution scheme	308,680	304,067
	<u>6,851,380</u>	<u>6,648,843</u>

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

	2021 No.	2020 No.
Employees	<u>231</u>	<u>232</u>

### 8. Directors' remuneration

No directors received any emoluments during the current year (2020 - £Nil).

There were no directors in the company's defined contribution pension scheme during the year (2020 - Nil).

### 9. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	337,079	402,599
Adjustments in respect of previous periods	(3,023)	(19,861)
<b>Total current tax</b>	<u>334,056</u>	<u>382,738</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	27,666	18,764
Changes to tax rates	67,990	21,120
Adjustments in respect of previous periods	(4,098)	1,229
<b>Total deferred tax</b>	<u>91,558</u>	<u>41,113</u>
<b>Taxation on profit on ordinary activities</b>	<u>425,614</u>	<u>423,851</u>

# Kedleston (Wings Education) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 9. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<b>2,909,565</b>	2,286,032
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	<b>552,817</b>	434,346
<b>Effects of:</b>		
Fixed asset timing differences	<b>49,812</b>	-
Expenses not deductible for tax purposes	<b>1,456</b>	49,601
Adjustments to tax charge in respect of prior periods	<b>(7,121)</b>	(19,861)
Tax rate changes	<b>74,629</b>	22,349
Group relief not paid for	<b>(245,979)</b>	(62,584)
<b>Total tax charge for the year</b>	<b>425,614</b>	423,851

#### Factors that may affect future tax charges

The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

# Kedleston (Wings Education) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 10. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 January 2021	18,351,026	479,054	166,053	633,013	19,629,146
Additions	231,025	25,982	36,937	318,021	611,965
Disposals	(349,004)	-	(24,055)	-	(373,059)
At 31 December 2021	18,233,047	505,036	178,935	951,034	19,868,052
<b>Depreciation</b>					
At 1 January 2021	2,557,406	202,185	109,185	334,891	3,203,667
Charge for the year	360,379	62,813	36,760	125,271	585,223
Disposals	(35,363)	-	(24,055)	-	(59,418)
At 31 December 2021	2,882,422	264,998	121,890	460,162	3,729,472
<b>Net book value</b>					
At 31 December 2021	15,350,625	240,038	57,045	490,872	16,138,580
At 31 December 2020	15,793,620	276,869	56,868	298,122	16,425,479

### 11. Stocks

	2021 £	2020 £
Raw materials and consumables	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 2021

### 12. Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	1,311,697	1,542,885
Amounts owed by group undertakings	40,499,047	37,374,756
Other debtors	1,553	24,023
Prepayments and accrued income	127,047	134,462
Tax recoverable	113,345	-
	<u>42,052,689</u>	<u>39,076,126</u>

### 13. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	171,839	39,485
Amounts owed to group undertakings	16,448,164	16,848,164
Corporation tax	-	89,982
Other taxation and social security	159,596	148,292
Other creditors	512,142	701,028
Accruals and deferred income	2,803,088	2,868,147
	<u>20,094,829</u>	<u>20,695,098</u>

### 14. Deferred taxation

	2021 £
At beginning of year	219,397
Charged to profit or loss	91,558
<b>At end of year</b>	<u><u>310,955</u></u>

# Kedleston (Wings Education) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 14. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	317,282	224,191
Tax losses carried forward	(6,327)	(4,794)
	<u>310,955</u>	<u>219,397</u>

### 15. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
83,334 ordinary shares of £1 each	<u>83,334</u>	<u>83,334</u>

### 16. Reserves

The company's capital and reserves are as follows:

#### Called up share capital

Called up share capital represents the nominal value of the shares issued.

#### Profit and loss account

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

### 17. 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. Further disclosure is noted in the group consolidated accounts.

### 18. 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 £308,680 (2020 - £304,067). Contributions totalling £38,309 (2020 - £37,194) were payable to the fund at the reporting date.



# Kedleston (Wings Education) Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 19. Commitments under operating leases

At 31 December 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	3,000	3,000
Later than 1 year and not later than 5 years	250	3,250
	<u>3,250</u>	<u>6,250</u>

### 20. 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.

#### *Key Management Personnel*

Remuneration of directors and certain senior employees who have responsibility for planning, directing and controlling the activities of the company is bore by Kedleston Schools Limited. The total key management remuneration within the Kedleston Schools Limited financial statements is £710,636 (2020 - £740,900) for all key management personnel.

### 21. 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, Unit 8 Brook Business Centre, Cowley Mill Road, Uxbridge, Middlesex, UB8 2FX.

There is no one controlling party.