

Registered number: 06730238

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



EQUITIX EDUCATION (DERBYSHIRE) LIMITED

COMPANY INFORMATION

DIRECTORS	J G Du Plessis D J Harding D C Ward P A Would
COMPANY SECRETARY	E M Clarke
REGISTERED NUMBER	06730238
REGISTERED OFFICE	3rd Floor Suite 6c Sevendale House 5-7 Dale Street Manchester England M1 1JA
INDEPENDENT AUDITORS	BDO LLP 55 Baker Street London W1U 7EU

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Directors' responsibilities statement	3
Independent auditors' report	4 - 6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9 - 10
Notes to the financial statements	11 - 21

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal Activity

The principal activity of the Company is to deliver secondary school facilities under the Building Schools for the Future development programme in the Derbyshire area under contract with Derbyshire County Council.

Review of the year

The Company continued to manage two school facilities in Derbyshire.

Future Developments

The Directors of the Company are not aware of any circumstances by which the principal activity of the company would alter or cease.

Results and Dividends

The profit for the year, after taxation, amounted to £1,086,662 (2017 - loss £9,405,058).

The company made a dividend payment in the year of £Nil (2017 - £90,189).

Business Review

The Company built and now maintains two secondary schools in Springwell and Bolsover in Derbyshire; and is responsible for doing so until October 2035. The Company is managing maintenance risk by sub-contracting to MITIE Plc.

During the previous year the Company refinanced, moving from Nationwide Building Society Limited to Aviva Public Private Finance Limited.

The Company manages liquidity through a senior debt facility with the new Aviva Public Private Finance Limited; this loan has a fixed interest coupon. The details of this loan are shown in note 14.

Going concern

As highlighted in note 14 to the financial statements, the Company meets its day to day working capital requirements principally through a senior debt facility which is in place until 2035, with interest payments fixed for the term of the loan.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance show that the Company should be able to operate within the level of its current facilities. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing the annual report and accounts.

Strategic report exemption

The Directors report has been prepared in accordance with the special provisions relating to small companies under section s.415 of the Companies Act 2006. As such the Group is exempt from preparing a strategic report.

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Directors

The directors who served during the year were:

J G Du Plessis
D J Harding
D C Ward
P A Would

Disclosure of Information to Auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

Auditors

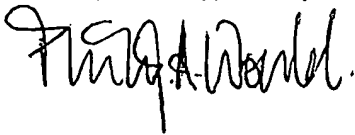
The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Qualifying Third Party Indemnity Provisions

The Directors have qualifying third party indemnity provisions put in place through other companies of which they are also directors.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by the Companies Act 2006.

This report was approved by the board and signed on its behalf.



P A Would
Director

Date: 23 September 2019

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors are responsible for preparing 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 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 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.

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EQUITIX EDUCATION (DERBYSHIRE) LIMITED

Opinion

We have audited the financial statements of Equitix Education (Derbyshire) Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, 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 2018 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.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EQUITIX EDUCATION (DERBYSHIRE) LIMITED (CONTINUED)

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.

Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement 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.

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EQUITIX EDUCATION
(DERBYSHIRE) LIMITED (CONTINUED)**

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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.



Alexander Tapp (Senior statutory auditor)

for and on behalf of
BDO LLP

55 Baker Street
London
W1U 7EU

23 September 2019

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

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	3	1,998,857	1,854,892
Cost of sales		<u>(1,667,544)</u>	<u>(1,438,702)</u>
Gross profit		331,313	416,190
Administrative expenses		<u>(132,588)</u>	<u>(166,331)</u>
Operating profit		198,725	249,859
Interest receivable and similar income	7	2,991,809	2,821,432
Interest payable and expenses	8	<u>(1,836,945)</u>	<u>(14,402,686)</u>
Profit/(loss) before tax		1,353,589	(11,331,395)
Tax on profit/(loss)	9	<u>(266,927)</u>	<u>1,926,337</u>
Profit/(loss) for the financial year		<u>1,086,662</u>	<u>(9,405,058)</u>
Other comprehensive income for the year			
Total comprehensive income for the year		<u>1,086,662</u>	<u>(9,405,058)</u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 11 to 21 form part of these financial statements.

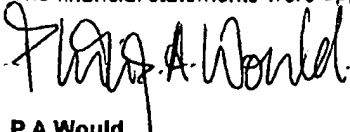
EQUITIX EDUCATION (DERBYSHIRE) LIMITED
REGISTERED NUMBER: 06730238

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Current assets			
Debtors: amounts falling due after more than one year	10	37,465,972	38,907,177
Debtors: amounts falling due within one year	10	1,274,803	1,201,023
Cash at bank and in hand	11	2,550,971	1,634,857
		<u>41,291,746</u>	<u>41,743,057</u>
Creditors: amounts falling due within one year	12	(2,908,904)	(2,706,782)
Net current assets		<u>38,382,842</u>	<u>39,036,275</u>
Total assets less current liabilities		<u>38,382,842</u>	<u>39,036,275</u>
Creditors: amounts falling due after more than one year	13	(46,672,740)	(48,412,835)
Net liabilities		<u>(8,289,898)</u>	<u>(9,376,560)</u>
Capital and reserves			
Called up share capital	17	60,000	60,000
Profit and loss account	18	(8,349,898)	(9,436,560)
		<u>(8,289,898)</u>	<u>(9,376,560)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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



P A Would
Director

Date: 23 September 2019

The notes on pages 11 to 21 form part of these financial statements.

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	60,000	(9,436,560)	(9,376,560)
Comprehensive income for the year			
Profit for the year	-	1,086,662	1,086,662
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,086,662	1,086,662
Total transactions with owners	-	-	-
At 31 December 2018	60,000	(8,349,898)	(8,289,898)

The notes on pages 11 to 21 form part of these financial statements.

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	60,000	58,687	118,687
Comprehensive income for the year			
Loss for the year	-	(9,405,058)	(9,405,058)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(9,405,058)	(9,405,058)
Dividends: Equity capital	-	(90,189)	(90,189)
Total transactions with owners	-	(90,189)	(90,189)
At 31 December 2017	60,000	(9,436,560)	(9,376,560)

The notes on pages 11 to 21 form part of these financial statements.

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

Equitix Education (Derbyshire) Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling.

In preparing the financial statements of the company, advantage has been taken of the following disclosure exemption available in FRS 102, as a result of the company being a small entity:

- No cash flow statement has been presented for the company.
- Service concession arrangements – The Company entered into its Service concession arrangement before the date of transition to this FRS. Therefore its service concession arrangements have continued to be accounted for using the same accounting policies being applied at the date of transition to this FRS.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgments made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

1.2 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the following:

- the value of construction work-in-progress as construction progresses;
- revenues from the provision of facilities management services;
- non-core facility recharges being recovered for ad hoc services delivered at the request of the client; and
- service income for the provision of available school facilities.

All amounts arose entirely in the UK and are shown net of any sales tax.

1.3 Finance debtor

The Company is an operator under a PFI contract. Under the terms of the contract, substantively all the risks and rewards of ownership of the property asset remain with Derbyshire County Council. The underlying asset is therefore not treated as a fixed asset of the Company.

1.4 Finance debtor and income recognition

During the construction phase of the project, all attributable expenditure including finance costs are included in amounts recoverable on contracts and turnover. Upon the asset becoming operational, the costs are transferred to the finance debtor. During the operational phase, income is allocated between interest receivable and turnover. The remainder of the PFI income will be allocated to the finance debtor.

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.5 Capitalised interest

Interest cost on borrowing facilities used to fund the construction programme of the two secondary schools are added to the amounts recoverable on contract during the construction period. This treatment ceased once the buildings were completed.

1.6 Operating costs

Operating costs are added to the amounts recoverable on contract during the construction period. Following the completion of the buildings, regular operating, maintenance costs and general overheads are expensed to the profit and loss as incurred.

1.7 Financial liabilities

Financial liabilities are measured initially at the amount of net proceeds payable.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal substance.

1.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.9 Current and deferred taxation

Tax is recognised in profit or loss, 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 balance sheet date.

1.10 Going concern

As highlighted in note 14 to the financial statements, the Company meets its day to day working capital requirements principally through a senior debt facility which is in place until 2035, with interest payments fixed for the term of the loan.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance show that the Company should be able to operate within the level of its current facilities.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing the annual report and accounts.

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are as follows:

Key sources of estimation uncertainty

Financial Asset Interest Rate - The financial asset interest income is based on the weighted average cost of capital of the project and is applied to the carrying value of the Financial Asset on a quarterly basis. The interest rate used in 2018 is 7.90% (2017: 7.90%) per annum.

Service Margin - After the property is constructed, the company provides property management services. The remuneration for these services is recognised at cost plus an estimated mark up for profit on property management services. The service margin rate used in 2018 is 16.70% (2017: 10.72%) per annum.

Critical judgments

Concession arrangements - The concession arrangements undertaken by the company are considered to fall within the scope of section 34 of FRS 102 "Service Concession Arrangements", as described in the Turnover note. This judgment has been based on a consideration of the nature and terms of the agreements.

3. Turnover

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

	2018 £	2017 £
Service income	1,998,857	1,854,892
	<u>1,998,857</u>	<u>1,854,892</u>

4. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	10,985	10,558
Auditor's remuneration - non-audit	3,597	3,597
	<u>14,582</u>	<u>14,155</u>

Included within the total auditor's remuneration of £10,985 (2017- £10,558) is £1,000 (2017 - £1,000) that relates to the audit of Equitix Education (Derbyshire) Holdings Limited, which are borne by the Company. The Company will not seek any compensation for this expense.

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Directors' remuneration

No Directors received any remuneration for their services to the Company (2017 - £nil); the Company is managed by secondees from a related party to the shareholders under a management services contract.

6. Employees

The Company had no employees during the year (2017 - none).

7. Interest receivable

	2018 £	2017 £
Interest earned on cash balances	-	2,094
Interest receivable from group companies	76,387	3,876
Finance debtor interest receivable	2,915,422	2,815,462
	<u>2,991,809</u>	<u>2,821,432</u>

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Interest payable and similar expenses

	2018 £	2017 £
Bank loan interest payable	1,306,587	2,977,814
Loans from group undertakings	402,054	408,788
Amortised re-fi costs	128,304	-
Loan refinance	-	11,016,084
	<u>1,836,945</u>	<u>14,402,686</u>

9. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	151,688	-
Adjustments in respect of previous periods	201	-
	<u>151,889</u>	<u>-</u>
Total current tax	<u>151,889</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	115,038	(1,926,337)
Total deferred tax	<u>115,038</u>	<u>(1,926,337)</u>
Taxation on profit/(loss) on ordinary activities	<u>266,927</u>	<u>(1,926,337)</u>

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit/(loss) on ordinary activities before tax	<u>1,353,589</u>	<u>(11,331,395)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	257,144	(2,180,905)
Effects of:		
Adjustments to tax charge in respect of prior periods	(61,520)	-
Tax adjustment, reliefs and transfers	84,837	-
Adjust opening deferred tax to rate of 19.00%	(226,628)	-
Adjust closing deferred tax to rate of 19.00%	213,094	254,568
Total tax charge for the year	<u>266,927</u>	<u>(1,926,337)</u>

The Company has recognised deferred tax asset of £1,811,299 (2017: £1,926,337) representative of tax losses not utilised. This deferred tax asset has been recognised as the Directors of the Company feel it appropriate given the confidence of the Company's ability to utilise the deferred tax asset in future periods.

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Debtors

	2018 £	2017 £
Due after more than one year		
Amounts owed by group undertakings	2,905,298	2,355,298
Finance debtor	32,749,375	34,625,542
Deferred tax asset	1,811,299	1,926,337
	<u>37,465,972</u>	<u>38,907,177</u>
	2018 £	2017 £
Due within one year		
Trade debtors	1	1
Amounts owed by group undertakings	80,263	3,876
Other debtors	-	232,763
Prepayments and accrued income	154,215	132,475
Finance debtor	1,040,324	831,908
	<u>1,274,803</u>	<u>1,201,023</u>

Amounts owed by group undertakings is an intercompany loan totalling £2,905,298 (2017: £2,355,298) owed by Equitix Education (Derbyshire) Holdings Limited and ultimately owed by the parent companies as follows: Equitix Education Limited in proportion of 80%, Building Schools for Future Investments LLP in proportion of 19% and Derbyshire Learning and Community Partnership Limited in proportion of 1%. The loan bears interest at fixed rate of 2.86% and is repayable in installments by March 2037.

11. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	2,550,971	1,634,857
	<u>2,550,971</u>	<u>1,634,857</u>

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	1,806,929	2,315,455
Trade creditors	185,406	71,645
Amounts owed to group undertakings	61,470	54,707
Corporation tax	99,291	-
VAT creditor	202,356	-
Accruals and deferred income	553,452	264,975
	<u>2,908,904</u>	<u>2,706,782</u>

13. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Bank loans	43,409,049	45,087,674
Amounts owed to group undertakings	3,263,691	3,325,161
	<u>46,672,740</u>	<u>48,412,835</u>

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Loans

The Company has entered into a subordinated loan note agreement with Equitix Education (Derbyshire) Holdings Limited, the Company's parent undertaking, with a fixed interest rate of 12%.

The subordinated loans are repayable in instalments based on an agreed percentage of the total facility outstanding per annum, maturing in 2035.

The senior debt facility with Aviva Public Private Finance Limited consists of £48,665,591 with a fixed interest rate of 2.76%. This loan is repayable in instalments based on an agreed percentage amount of the total facility outstanding per annum, maturing in 2035.

An analysis of maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	1,806,929	2,315,455
Amounts owed to group undertakings	61,470	54,707
	<u>1,868,399</u>	<u>2,370,162</u>
Amounts falling due 1-2 years		
Bank loans	2,306,843	1,806,922
Amounts owed to group undertakings	69,067	61,470
	<u>2,375,910</u>	<u>1,868,392</u>
Amounts falling due 2-5 years		
Bank loans	7,360,399	6,953,929
Amounts owed to group undertakings	262,773	331,840
	<u>7,623,172</u>	<u>7,285,769</u>
Amounts falling due after more than 5 years		
Bank loans	34,875,965	37,589,278
Unamortised debt arrangement fees	(1,134,158)	(1,262,455)
Amounts owed to group undertakings	2,931,851	2,931,851
	<u>36,673,658</u>	<u>39,258,674</u>

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

15. Deferred taxation

	£	£
Deferred taxation at 1st January 2018		1,926,337
Deferred taxation movement in year		(115,038)
Deferred Tax Asset on Losses		<u><u>1,811,299</u></u>

16. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at amortised cost	<u><u>39,326,233</u></u>	<u><u>39,451,481</u></u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u><u>(50,414,155)</u></u>	<u><u>(52,400,544)</u></u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors and financial assets in respect of infrastructure assets.

Financial Liabilities measured at amortised cost comprise bank loans, group loans, trade creditors, accruals and other creditors.

EQUITIX EDUCATION (DERBYSHIRE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

17. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
60,000 (2017 - 60,000) Ordinary shares of £1.00 each	<u>60,000</u>	<u>60,000</u>

18. Reserves

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

19. Dividends

	2018 £	2017 £
Interim dividends paid at £Nil per share (2017: £1.50 per share)	<u>-</u>	<u>90,189</u>
	<u>-</u>	<u>90,189</u>

20. Controlling party

The Company's immediate parent company is Equitix Education (Derbyshire) Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales.

The Company's ultimate parent and controlling entity is Equitix Fund I LP, a limited partnership registered in England and Wales.