

Chesterton Education Limited

Financial Statements

For the year ended 31 August 2021

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Company Registration No. 10581835 (England and Wales)

Chesterton Education Limited

Company Information

Directors	Mark Malley Jerry Stover Steven Wade
Company number	10581835
Registered office	Bellevue Education International Second Floor 200 Union Street London England SE1 0LX
Auditors	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

Chesterton Education Limited

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Chesterton Education Limited

Balance Sheet

As at 31 August 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	4	3,876,367		4,125,118	
Tangible assets	5	256,295		200,453	
		<u>4,132,662</u>		<u>4,325,571</u>	
Current assets					
Debtors	7	398,263		240,175	
Cash at bank and in hand		1,158,848		636,247	
		<u>1,557,111</u>		<u>876,422</u>	
Creditors: amounts falling due within one year	8	<u>(3,132,516)</u>		<u>(2,907,147)</u>	
Net current liabilities		<u>(1,575,405)</u>		<u>(2,030,725)</u>	
Total assets less current liabilities		<u>2,557,257</u>		<u>2,294,846</u>	
Provisions for liabilities	9	<u>(17,069)</u>		<u>(19,899)</u>	
Net assets		<u><u>2,540,188</u></u>		<u><u>2,274,947</u></u>	
Capital and reserves					
Called up share capital		100		100	
Profit and loss reserves		<u>2,540,088</u>		<u>2,274,847</u>	
Total equity		<u><u>2,540,188</u></u>		<u><u>2,274,947</u></u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 27 April 2022 and are signed on its behalf by:

Mark Malley
Director

Company Registration No. 10581835

Chesterton Education Limited

Notes to the Financial Statements

For the year ended 31 August 2021

1 Accounting policies

Company information

Chesterton Education Limited is a private company limited by shares incorporated in England and Wales. The registered office is Bellevue Education International Second Floor, 200 Union Street, London, England, SE1 0LX.

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Exemptions for qualifying entities under FRS 102

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Gems Beta Holdco Limited. These consolidated financial statements are available from its registered office, Botanic House, 100 Hills Road, Cambridge, CB2 1PH.

Chesterton Education Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2021

1 Accounting policies

(Continued)

1.3 Going concern

The company has net current liabilities on its balance sheet of £1,575,405 and net assets of £2,540,188. The parent company, Bellevue Schools Group Limited, has confirmed it will continue to provide financial support as required.

The directors have considered the company's forecasts and projections and have taken account of pressures on fee income, particularly in the light of the impact of the COVID-19 pandemic which occurred before these financial statements were approved. After making enquiries the directors have concluded that there is a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. Therefore, these accounts have been prepared on the going concern basis.

1.4 Turnover

Turnover represents the value of fees charged for educational and other related services delivered to pupils of the school in the accounting year, net of discounts.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years. This term is chosen because the investment is in a durable asset, i.e. school land and buildings, and that we expect the market for the school to continue, at least, for that period of time.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	5 years
Motor vehicles	5 years
IT equipment	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Chesterton Education Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2021

1 Accounting policies

(Continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Tax losses are transferred between companies within the group at no charge.

Chesterton Education Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2021

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Chesterton Education Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2021

2 Judgements and key sources of estimation uncertainty

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

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

3 Employees

The average monthly number of persons (including directors) employed by the company during the period was 66 (2020: 70).

4 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 September 2020 and 31 August 2021	4,974,997
Amortisation and impairment	
At 1 September 2020	849,879
Amortisation charged for the year	248,751
At 31 August 2021	1,098,630
Carrying amount	
At 31 August 2021	3,876,367
At 31 August 2020	4,125,118

Chesterton Education Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2021

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 September 2020	62,440	291,586	354,026
Additions	101,587	36,715	138,302
At 31 August 2021	164,027	328,301	492,328
Depreciation and impairment			
At 1 September 2020	7,776	145,797	153,573
Depreciation charged in the year	10,123	72,337	82,460
At 31 August 2021	17,899	218,134	236,033
Carrying amount			
At 31 August 2021	146,128	110,167	256,295
At 31 August 2020	54,664	145,789	200,453

6 Subsidiaries

Details of the company's subsidiaries at 31 August 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Bruern Abbey Junior School Limited	England and Wales	Dormant	Ordinary	100.00 0
Bruern Abbey School Limited	England and Wales	Dormant	Ordinary	100.00 0

Chesterton Education Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2021

7 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	144,478	34,957
Bad debt provision	(34,173)	(843)
Amounts due from group undertakings	80	80
Other debtors	219,808	137,911
	<u>330,193</u>	<u>172,105</u>
Amounts falling due after more than one year:		
Other debtors	<u>68,070</u>	<u>68,070</u>
Total debtors	<u>398,263</u>	<u>240,175</u>

8 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	44,599	94,596
Amounts owed to group undertakings	2,119,550	2,075,509
Corporation tax	467	-
Other taxation and social security	50,997	154,686
Other creditors	916,903	582,356
	<u>3,132,516</u>	<u>2,907,147</u>

9 Provisions for liabilities

	2021 £	2020 £
Deferred tax liabilities	<u>17,069</u>	<u>19,899</u>

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Shivani Kothari and the auditor was Moore Kingston Smith LLP.

Chesterton Education Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2021

11 Financial commitments, guarantees and contingent liabilities

Certain assets and property are secured by a legal fixed charge under the external group funding.

12 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021 £	2020 £
Within one year	532,320	504,174
Between two and five years	2,287,654	2,156,873
In over five years	-	579,638
	<u>2,819,974</u>	<u>3,240,685</u>

13 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 102 section 33.1A from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

During the year, the company held an operating lease for Chesterton House which is with Jerry Stover, who is a director of the company. At the year end £2,816,234 was due under operating lease commitments up until the break date of 31 August 2026.

14 Immediate parent undertaking and ultimate controlling party

The immediate parent undertaking is Bellevue Schools Group Limited, a company incorporated in England and Wales.

The intermediate parent undertaking of Chesterton Education is GEMS Beta Holdco Limited, a company incorporated in England and Wales. GEMS Beta Holdco Limited is the smallest group for which consolidated financial statements are prepared and these financial statements are included in those consolidated financial statements. These are available from Botanic House, 100 Hills Road, Cambridge, England, CB2 1PH.

The ultimate parent undertaking of GEMS Beta Holdco Limited is Varkey Group Limited, a company incorporated in British Virgin Islands.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.