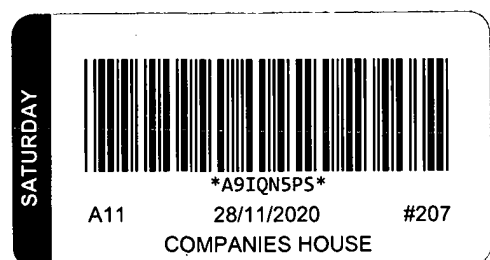


Company Registration No. 11552365 (England and Wales)

CHATSWORTH TOPCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019



CHATSWORTH TOPCO LIMITED

COMPANY INFORMATION

Directors	T Ashlin	(Appointed 4 September 2018)
	R Berry	(Appointed 17 December 2019)
	A Delaney	(Appointed 21 December 2018)
	S Fairlie	(Appointed 21 December 2018)
	F Knipe	(Appointed 21 December 2018)

Company number 11552365

Registered office Part of Crimea Office
Former Estate Office at the Great Tew Estate
Great Tew
Chipping Norton
England
OX7 4AH

Auditor Grant Thornton UK LLP
The Colmore Building
20 Colmore Circus
Birmingham
B4 6AT

Bankers Barclays Bank PLC
2 Churchill Place
London
E14 5RB

Solicitors Clyde & Co LLP
The St Botolph Building
138 Houndsditch
London
EC3A 7AR

CHATSWORTH TOPCO LIMITED

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CHATSWORTH TOPCO LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 AUGUST 2019

The directors present the strategic report for the period ended 31 August 2019.

Fair review of the business

Strategy and principle activities

Chatsworth Schools' strategy is to build a portfolio of outstanding independent schools and nurseries. The leadership team works closely with the schools and nurseries to enable each to be independent whilst upholding the groups values and ethos and to improve the learning and outcomes for all its children.

Principle risks and uncertainties

The principle risks can be broadly split into operational, financial and strategic categories.

Operational risks relate to the schools being compliant in all areas. The risk is mitigated by having dedicated central staff with great experience across all Health and Safety and HR as well as policies and procedures required by regulating bodies. The ability to attract new and retain existing pupils as a risk is mitigated by ensuring that the school continues to present an attractive proposition in the community it serves.

Financial risks include managing the collection of fees from parents. This risk has been highlighted in the after the year end due to the impact of CV-19. This risk is mitigated by pro-actively communicating and working with parents to ensure that fees are collected in a timely manner.

Strategic risks relate to the group being able to identify, fund and complete new acquisitions. This risk is mitigated by proactively sourcing and reviewing potential acquisitions and having a seasoned team and industry advisors to complete deals.

Development and performance

Developments

During the year the group made its first acquisitions; Hall School Wimbledon, Bassetsbury Manor School, Griffin House School and Benedict House School in December 2018, followed by the acquisition of Marylebone Village Nursery in January 2019. Pattison College and Village Prep School joined the group in May 2019 and Beau Peeps Nurseries in July 2019. Highfield Prep was acquired in November 2019.

Financial performance

The financial results for the year are shown in the consolidated profit and loss account on page 7 of these financial statements. The key financial and other performance indicators during the period were as follows:

	2019
	£000
Turnover	6,358
Gross profit	877
Operating profit / (loss)	(3,174)
Tangible fixed assets	5,472
Shareholder funds	(3,975)

Turnover represents tuition fees net of any discounts, plus income charged for non-tuition services.

On behalf of the board



F Knipe
Director

27 November 2020

CHATSWORTH TOPCO LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2019

The directors present their annual report and financial statements for the period ended 31 August 2019.

Principal activities

The principal activity of the group during the year was the provision of pre-primary, primary and secondary education, and provision of services to those schools.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

T Ashlin	(Appointed 4 September 2018)
C Dale	(Appointed 4 September 2018 and resigned 21 December 2018)
R Berry	(Appointed 17 December 2019)
A Delaney	(Appointed 21 December 2018)
S Fairlie	(Appointed 21 December 2018)
F Knipe	(Appointed 21 December 2018)
V Rae-Reeves	(Appointed 21 December 2018 and resigned 25 September 2019)

Results and dividends

The results for the period are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors' insurance

Directors' indemnity insurance, indemnifying each director against liability to third parties, has been in place throughout the period ended 31 August 2019 and up to the date of approval of this report.

Future developments

After the year end the group acquired Highfield Prep School in November 2019, followed by Tiny Toes Nurseries in October 2020.

After the year end the group secured an acquisition financing facility to enable the group to continue to grow by acquisitions and fund expansion capital projects for existing portfolio schools.

The group has invested in the schools in both the physical buildings, as well as in IT infrastructure and capability.

Like many other Independent school operators, our schools were impacted by CV-19, with premises closed during the Summer 2020 term and financial pressure on parents. The group took pro active steps as a result of CV-19 to protect its schools, pupils and staff, as well as managing the schools in the most appropriate manner during the period of uncertainty.

Auditor

In accordance with the company's articles, a resolution proposing that Grant Thornton UK LLP be reappointed as auditor of the company and the group will be put at a General Meeting.

CHATSWORTH TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



.....
F Knipe
Director

Date: 27 November 2020

CHATSWORTH TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHATSWORTH TOPCO LIMITED

Opinion

We have audited the financial statements of Chatsworth Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 August 2019 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 FRS 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 group's and the parent company's affairs as at 31 August 2019 and of the group's loss for the period 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Covid-19 is amongst the most significant economic events currently faced by the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with this particular event.

CHATSWORTH TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHATSWORTH TOPCO LIMITED

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 group's or the parent 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.

In our evaluation of the directors' conclusions, we considered the risks associated with the group's business model, including effects arising from Covid-19, and analysed how those risks might affect the group's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group will continue in operation.

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.

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 inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial period 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.

CHATSWORTH TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHATSWORTH TOPCO LIMITED

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's 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.

Grant Thornton UK LLP

William Devitt
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
Date: 27 November 2020

CHATSWORTH TOPCO LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 AUGUST 2019

		Period ended 31 August 2019 £
	Notes	
Revenue	3	6,358,112
Cost of sales		(5,480,951)
		<hr/>
Gross profit		877,161
Administrative expenses		(5,409,454)
Other operating income		22,225
Exceptional items	4	1,336,013
		<hr/>
Operating loss	5	(3,174,055)
Investment income	9	1
Finance costs	10	(1,773,669)
		<hr/>
Loss before taxation		(4,947,723)
Tax on loss	11	12,960
		<hr/>
Loss for the financial period	23	<u>(4,934,763)</u>

(Loss)/profit for the financial period is all attributable to the owners of the parent company.

Total comprehensive income for the period is all attributable to the owners of the parent company.

CHATSWORTH TOPCO LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2019

	Notes	2019 £	£
Non-current assets			
Goodwill	12	16,535,676	
Negative goodwill	12	(284,209)	
Net goodwill		16,251,467	
Other intangible assets	12	10	
Total intangible assets		16,251,477	
Property, plant and equipment	13	5,471,583	
		21,723,060	
Current assets			
Trade and other receivables	17	2,293,733	
Cash and cash equivalents		1,508,551	
		3,802,284	
Current liabilities	18	(5,594,065)	
Net current liabilities		(1,791,781)	
Total assets less current liabilities		19,931,279	
Non-current liabilities	19	(23,906,070)	
Net liabilities		(3,974,791)	
Equity			
Called up share capital	22	960	
Share premium account	23	959,024	
Retained earnings	23	(4,934,775)	
Total equity		(3,974,791)	

The financial statements were approved by the board of directors and authorised for issue on 27 November 2020.....
and are signed on its behalf by:



.....
F Knipe
Director

CHATSWORTH TOPCO LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2019

	Notes	2019 £	£
Non-current assets			
Investments	14		1
Current assets			
Trade and other receivables	17	18,184,318	
Current liabilities	18	(1)	
Net current assets			18,184,317
Total assets less current liabilities			18,184,318
Non-current liabilities	19	(17,144,167)	
Net assets			1,040,151
Equity			
Called up share capital	22		960
Share premium account	23		959,024
Retained earnings	23		80,167
Total equity			1,040,151

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £80,167.

The financial statements were approved by the board of directors and authorised for issue on 27 November 2020 and are signed on its behalf by:



F Knipe
Director

Company Registration No. 11552365

CHATSWORTH TOPCO LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 AUGUST 2019

	Notes	Share capital £	Share premium account £	Retained earnings £	Total £
Period ended 31 August 2019:					
Loss and total comprehensive income for the period		-	-	(4,934,763)	(4,934,763)
Issue of share capital	22	960	959,024	-	959,984
Transfers		-	-	(12)	(12)
Balance at 31 August 2019		<u>960</u>	<u>959,024</u>	<u>(4,934,775)</u>	<u>(3,974,791)</u>

CHATSWORTH TOPCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 AUGUST 2019

	Notes	Share capital £	Share premium account £	Retained earnings £	Total £
Period ended 31 August 2019:					
Profit and total comprehensive income for the period		-	-	80,167	80,167
Issue of share capital	22	960	959,024	-	959,984
Balance at 31 August 2019		<u>960</u>	<u>959,024</u>	<u>80,167</u>	<u>1,040,151</u>

CHATSWORTH TOPCO LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 AUGUST 2019

	Notes	2019 £	£
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	28	531,344	
Interest payable		(1,732,159)	
Net cash outflow from operating activities			(1,200,815)
Investing activities			
Purchase of intangible assets		(10)	
Purchase of property, plant and equipment		(5,638,405)	
Purchase of investments		(17,172,352)	
Loans made		(28,840)	
Interest received		1	
Net cash used in investing activities			(22,839,606)
Financing activities			
Proceeds from issue of shares		960,205	
Issue of preference shares		23,811,752	
Repayment of preference shares		16	
Other long term financing reserves		450,986	
Net cash generated from/(used in) financing activities			25,222,959
Net increase in cash and cash equivalents			1,182,538
Cash and cash equivalents at beginning of period			325,115
Cash and cash equivalents at end of period			1,507,653
Relating to:			
Cash at bank and in hand			1,508,551
Bank overdrafts included in creditors payable within one year			(898)

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

Company information

Chatsworth Topco Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Part Of Crimea Office, Former Estate Office At The Great Tew Estate, Great Tew, Chipping Norton, Oxfordshire, UK, OX7 4AH.

The group consists of Chatsworth Topco Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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. The principal accounting policies adopted are set out below.

The 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 for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- 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': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; 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.

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Chatsworth Topco Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 August 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

When preparing these Financial Statements, the Directors have assessed the Group's ability to continue as a going concern. This assessment is based on the preparation and review of a forward cash flow projection for a period in excess of 12 months ahead. Also Synova as majority investor has provided a letter of financial support. As a result of this assessment, no material uncertainties have been identified by the Directors that may cast significant doubt about the ability of the Group to continue as a going concern.

1.4 Reporting period

These Financial Statements are for a short period, as this is the first period of accounts since incorporation on 4 September 2018. As it is the first period of accounts, there are no comparatives to report.

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.5 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business 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 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation 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:

Business intellectual property	10% straight line
--------------------------------	-------------------

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.8 Property, plant and equipment

Property, plant and equipment 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:

Freehold buildings	5% straight line
Leasehold buildings	5% straight line
Leasehold improvements	5% straight line
Office equipment	20% straight line
Fixtures and fittings	6.67% straight line
IT Equipment and software	25% straight line
Motor vehicles	10% straight line
Library books	10% straight line
Furniture	10% straight line

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 recognised in the income statement.

1.9 Non-current investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of non-current assets

At each reporting period end date, the group 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.11 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.

1.12 Financial instruments

The group 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 group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 trade and other receivables 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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.13 Equity instruments

Equity instruments issued by the group 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 group.

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.14 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 group'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 income statement, 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 if, and only if, there is 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.

1.15 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 non-current 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.

1.16 Retirement benefits

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

1.17 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 leased asset are consumed.

1.18 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group, but are presented separately due to their size or incidence.

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

2 Judgements and key sources of estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year are detailed below.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful economic life of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimates of useful economic lives and residual values of assets. The useful economic lives are reviewed annually and amended where necessary.

Impairment of intangible assets and goodwill

The Group considers whether intangible assets and/or goodwill are impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

Impairment of debtors

The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors, relationship with the debtors and historical experience.

3 Revenue

	2019 £
Revenue analysed by class of business	
Provision of educational services	6,358,112
	<u>6,358,112</u>
	2019 £
Other significant revenue	
Interest income	1
Other income	22,225
	<u>22,226</u>

4 Exceptional item

	2019 £
Expenditure	
Exceptional intercompany write off	72,204
Exceptional other costs, including pre-acquisition bad debt write offs	(370,684)
Exceptional profit on the disposal of fixed assets	(1,037,533)
	<u>(1,336,013)</u>

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

5 Operating loss

2019
£

Operating loss for the period is stated after charging:

Depreciation of owned property, plant and equipment	199,628
Amortisation of intangible assets	1,099,969
Operating lease charges	379,010

6 Auditor's remuneration

2019
£

Fees payable to the company's auditor and associates:

For audit services

Audit of the financial statements of the group and company	6,000
Audit of the financial statements of the company's subsidiaries	29,000
	35,000

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the period was:

	Group 2019 Number	Company 2019 Number
Management	3	-
Staff	168	-
Total	171	-

Their aggregate remuneration comprised:

	Group 2019 £	Company 2019 £
Wages and salaries	4,119,859	-
Social security costs	414,400	-
Pension costs	284,029	-
	4,818,288	-

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

8 Directors' remuneration

	2019 £
Remuneration for qualifying services	382,930
Company pension contributions to defined contribution schemes	1,464
	<u>384,394</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3.

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 £
Remuneration for qualifying services	153,172
Company pension contributions to defined contribution schemes	732
	<u>153,904</u>

9 Investment income

	2019 £
Interest income	
Interest on bank deposits	1
	<u>1</u>

10 Finance costs

	2019 £
Other interest on financial liabilities	1,732,159
Other interest	41,510
	<u>1,773,669</u>

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

11 Taxation

	2019 £
Current tax	
UK corporation tax on profits for the current period	(12,960)

The actual (credit)/charge for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	2019 £
Loss before taxation	(4,947,723)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00%	(940,067)
Unutilised tax losses carried forward	927,107
Taxation credit	(12,960)

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

12 Intangible fixed assets

Group	Goodwill	Negative goodwill	Business intellectual property	Total
	£	£	£	£
Cost				
At 4 September 2018	-	-	-	-
Additions	17,376,879	(304,510)	10	17,072,379
Transfers	1,151,727	-	-	1,151,727
At 31 August 2019	18,528,606	(304,510)	10	18,224,106
Amortisation and impairment				
At 4 September 2018	-	-	-	-
Amortisation charged for the period	1,120,270	(20,301)	-	1,099,969
Transfers	872,660	-	-	872,660
At 31 August 2019	1,992,930	(20,301)	-	1,972,629
Carrying amount				
At 31 August 2019	16,535,676	(284,209)	10	16,251,477

The company had no intangible fixed assets at 31 August 2019.

The transfers relate to amounts brought in for intangible fixed assets held by the acquired group Chatsworth Opco 1 Limited and its subsidiaries.

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

13 Property, plant and equipment

Group	Freehold buildings £	Leasehold buildings £	Leasehold improvements £	Office equipment £	Fixtures and fittings £	IT Equipment and software £	Motor vehicles £	Library books £	Furniture £	Total £
Cost										
At 4 September 2018	-	-	-	-	-	-	-	-	-	-
Additions	4,465,432	56,463	535,557	314,337	172,546	60,674	14,661	14,325	6,518	5,640,513
Disposals	-	-	-	-	-	-	(3,229)	-	-	(3,229)
Transfers	8,427	-	-	396,915	-	7,507	-	-	811	413,660
At 31 August 2019	4,473,859	56,463	535,557	711,252	172,546	68,181	11,432	14,325	7,329	6,050,944
Depreciation and impairment										
At 4 September 2018	-	-	-	-	-	-	-	-	-	-
Depreciation charged in the period	134,269	1,882	-	51,705	5,608	4,534	572	837	221	199,628
Transfers	-	-	-	378,097	-	1,636	-	-	-	379,733
At 31 August 2019	134,269	1,882	-	429,802	5,608	6,170	572	837	221	579,361
Carrying amount										
At 31 August 2019	4,339,590	54,581	535,557	281,450	166,938	62,011	10,860	13,488	7,108	5,471,583

The company had no property, plant and equipment at 31 August 2019.

Transfers relate to amounts brought in for tangible fixed assets held by the acquired group Chatsworth Opco 1 Limited and its subsidiaries.

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

14 Fixed asset investments

	Notes	Group 2019 £	Company 2019 £
Investments in subsidiaries	15	-	1
Movements in non-current investments			
Company			Shares in group undertakings £
Cost or valuation			
At 4 September 2018			-
Additions			1
At 31 August 2019			1
Carrying amount			
At 31 August 2019			1

15 Subsidiaries

Details of the company's subsidiaries at 31 August 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held
Chatsworth Midco Limited	See below	Education services	Ordinary shares	100.00
Chatsworth Bidco Limited	See below	Education services	Ordinary shares	100.00
Chatsworth Schools (Pattison College) Limited	See below	Education services	Ordinary shares	100.00
Chatsworth Schools (Village Pre) Limited	See below	Education services	Ordinary shares	100.00
The Marylebone Village Nursery Limited	See below	Education services	Ordinary shares	100.00
Chatsworth Schools (HSW) Limited	See below	Education services	Ordinary shares	100.00
Chartsworth Opco 1 Limited	See below	Education services	Ordinary shares	100.00
Benedict House School Limited	See below	Education services	Ordinary shares	100.00
Bassetsbury Manor School Limited	See below	Education services	Ordinary shares	100.00
Griffin House School Limited	See below	Education services	Ordinary shares	100.00
Swinbrook House Nursery Schools Limited	See below	Education services	Ordinary shares	100.00
Beau Peeps Nurseries Limited	See below	Education services	Ordinary shares	100.00
Chatsworth Newco 3 Limited	See below	Dormant	Ordinary shares	100.00
Chatsworth Newco 4 Limited	See below	Dormant	Ordinary shares	100.00

Shares in Chatsworth Midco Limited are held directly, all other investments are held indirectly.

Registered office addresses (all UK unless otherwise indicated):

All: Part Of Crimea Office Former Estate Office At The Great Tew Estate, Great Tew, Chipping Norton, England, OX7 4AH

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

16 Financial instruments

	Group 2019 £	Company 2019 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,115,043	n/a
Carrying amount of financial liabilities		
Measured at amortised cost	25,624,763	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

17 Trade and other receivables

	Group 2019 £	Company 2019 £
Amounts falling due within one year:		
Trade receivables	1,864,299	-
Other receivables	221,904	-
Prepayments and accrued income	178,690	-
	2,264,893	-
Amounts falling due after more than one year:		
Amounts owed by group undertakings	-	18,184,318
Other receivables	28,840	-
	28,840	18,184,318
Total debtors	2,293,733	18,184,318

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

18 Current liabilities

	Notes	Group 2019 £	Company 2019 £
Bank loans and overdrafts	20	898	-
Trade payables		325,746	-
Corporation tax payable		124,396	-
Other taxation and social security		160,248	-
Deferred income		3,590,728	-
Other payables		1,097,679	1
Accruals and deferred income		294,370	-
		<u>5,594,065</u>	<u>1</u>

19 Non-current liabilities

	Notes	Group 2019 £	Company 2019 £
Other borrowings	20	16	16
12.0% Fixed rate preference shares		23,906,054	17,144,151
		<u>23,906,070</u>	<u>17,144,167</u>

A legal charge was created on 25 October 2019 by Investec Bank PLC by means of a fixed and floating charge over the property and undertakings of the company.

20 Borrowings

	Group 2019 £	Company 2019 £
Bank overdrafts	898	-
Preference shares	16	16
	<u>914</u>	<u>16</u>
Payable within one year	898	-
Payable after one year	16	16

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

21 Retirement benefit schemes

	2019 £
Defined contribution schemes	
Charge to profit or loss in respect of defined contribution schemes	284,029

At the year end, there was £85,980 payable which is included within creditors.

22 Share capital

	Group and company 2019 £
Ordinary share capital	
Issued and fully paid	
800,000 Ordinary A of 0.1p each	800
160,000 Ordinary B of 0.1p each	160
	<hr/>
Total equity share capital	960
	<hr/>
Preference share capital	
Issued and fully paid	
15,822,836 Preference of 0.0001p each	16
	<hr/>
Preference shares classified as liabilities	16
	<hr/>

23 Reserves

Share premium

The share premium account represents amounts paid over and above the nominal value of the shares that have been issued.

Equity reserve

The profit and loss account represents all accumulated net gains and losses.

Ordinary shares

Share capital represents the nominal value of share that have been issued.

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

24 Acquisitions

On 21 December 2018 the group acquired 100% share capital of Chatsworth Opco 1 Ltd and subsidiaries.

	Book Value £	Adjustments £	Fair Value £
Intangible assets	279,068	-	279,068
Property, plant and equipment	3,655,384	-	3,655,384
Trade and other receivables	115,509	-	115,509
Cash and cash equivalents	129,032	-	129,032
Borrowings	(490,332)	-	(490,332)
Trade and other payables	(1,243,795)	-	(1,243,795)
Tax liabilities	(94,633)	-	(94,633)
Total identifiable net assets	<u>2,350,233</u>	<u>-</u>	<u>2,350,233</u>
Goodwill			<u>14,019,801</u>
Total consideration			<u>16,370,034</u>
The consideration was satisfied by:			£
Cash			<u>16,370,034</u>
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£
Revenue			2,663,504
Profit after tax			<u>358,677</u>

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

24 Acquisitions

(Continued)

On 21 December 2018 the group acquired 100% share capital of Chatsworth Schools (HSW) Ltd.

	Book Value £	Adjustments £	Fair Value £
Property, plant and equipment	304,513	-	304,513
Goodwill			(304,512)
Total consideration			1
The consideration was satisfied by:			£
Cash			1
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£
Revenue			2,667,083
Profit after tax			473,539

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

24 Acquisitions

(Continued)

On 4 January 2019 the group acquired 100% share capital of Marylebone Village Nursery Ltd

	Book Value	Adjustments	Fair Value
	£	£	£
Property, plant and equipment	7,079	-	7,079
Trade and other receivables	24,387	-	24,387
Cash and cash equivalents	35,415	-	35,415
Trade and other payables	(165,763)	-	(165,763)
Tax liabilities	(418)	-	(418)
Total identifiable net assets	(99,300)	-	(99,300)
Non-controlling interests			-
Goodwill			1,099,300
Total consideration			1,000,000
The consideration was satisfied by:			£
Cash			1,000,000
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£
Revenue			127,289
Loss after tax			(30,026)

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

24 Acquisitions

(Continued)

On 13 May 2019 the group acquired all of the business and assets of Pattison College

	Book Value	Adjustments	Fair Value
	£	£	£
Intangible assets	4	-	4
Property, plant and equipment	931,995	-	931,995
Total identifiable net assets	<u>931,999</u>	<u>-</u>	<u>931,999</u>
Non-controlling interests			-
Goodwill			318,001
Total consideration			<u>1,250,000</u>
The consideration was satisfied by:			£
Cash			<u>1,250,000</u>
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£
Revenue			357,870
Loss after tax			<u>(43,183)</u>

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

24 Acquisitions

(Continued)

On 17 April 2019 the group acquired all of the business and assets of Village Prep School

	Book Value £	Adjustments £	Fair Value £
Intangible assets	6	-	6
Property, plant and equipment	6,517,000	-	6,517,000
Trade and other receivables	88,000	-	88,000
Total identifiable net assets	<u>6,605,006</u>	<u>-</u>	<u>6,605,006</u>
Non-controlling interests			-
Goodwill			<u>1,779,994</u>
Total consideration			<u>8,385,000</u>
The consideration was satisfied by:			£
Cash			<u>8,385,000</u>
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£
Revenue			544,170
Loss after tax			<u>(186,752)</u>

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

24 Acquisitions

(Continued)

On 5 July 2019 the group acquired 100% share capital of Beau Peeps Nurseries Ltd

	Book Value £	Adjustments £	Fair Value £
Property, plant and equipment	751	-	751
Trade and other receivables	7,176	-	7,176
Cash and cash equivalents	27,070	-	27,070
Trade and other payables	(12,197)	-	(12,197)
Tax liabilities	(16)	-	(16)
Total identifiable net assets	22,784	-	22,784
Non-controlling interests			-
Goodwill			127,216
Total consideration			150,000
The consideration was satisfied by:			£
Cash			150,000
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£
Revenue			18,078
Loss after tax			(24,405)

25 Operating lease commitments

Lessee

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

	Group 2019 £	Company 2019 £
Within one year	920,138	-
Between two and five years	2,644,638	-
In over five years	13,660,438	-
	17,225,214	-

CHATSWORTH TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

26 Events after the reporting date

As a result of the announcement by the World Health Organisation in March 2020 that COVID-19 was a pandemic, the Department of Education announced on 18 March 2020 that schools will close on 20 March 2020 due to the pandemic. Schools remained open for children of key workers and vulnerable children where required and appropriate.

As a result of the closure, tuition was provided by remote learning methods during the period of closure of school premises to pupils. The group took the decision to offer a tuition fee discount to parents for the Summer 2020 term, the discount varied between 15% to 50% depending on year group of the pupil. To mitigate the reduced income from the fee discount, the company reduced spend in costs mainly associated with school premises being open. The group also furloughed staff.

The management have reforecast the future financial performance of the company taking into consideration the financial implications of COVID-19 on the business, as detailed in the accounting policy note on going concern.

27 Controlling party

The parent company of Chatsworth Topco Limited is Synova Capital GP 5 Limited and the ultimate parent is Synova Capital Fund III LP. The registered office address of the ultimate parent is 55 Wells Street, London, W1T 3PT.

28 Cash generated from/(absorbed by) group operations

	2019 £
Loss for the period after tax	(4,934,763)
Adjustments for:	
Taxation credited	(12,960)
Finance costs	1,732,160
Investment income	(1)
Amortisation and impairment of intangible assets	1,099,969
Depreciation and impairment of property, plant and equipment	199,628
Other exceptional costs	(965,329)
Movements in working capital:	
Increase in trade and other receivables	(1,850,491)
Increase in trade and other payables	2,661,785
Increase in deferred income	2,601,346
Cash generated from/(absorbed by) operations	531,344