

KST Enterprises Limited
Financial Statements
For the 16 Months Ended 31 August 2020



KST Enterprises Limited

Financial Statements

For the 16 months ended 31 August 2020

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KST Enterprises Limited

Company Information

For the 16 months ended 31 August 2020

Company registration number	12000639
Directors	Ian Hunter Stewart Keiller Cosmo Lush Anne Wickham
Secretary	Anne Wickham
Registered office	West London Free School Primary Cambridge Grove London W6 0LB
Auditor	MHA MacIntyre Hudson 6th Floor 2 London Wall Place London EC2Y 5AU
Solicitor	Browne Jacobson 6 Bevis Marks London EC3A 7BA
Bankers	Lloyds Bank plc 25 Gresham Street London EC2V 7HN

KST Enterprises Limited

Director's statement

For the sixteen months ended 31 August 2020

The directors present their report and the audited financial statements of the company for the sixteen months ended 31 August 2020. KST Enterprises was incorporated and commenced trading on 16 May 2019. As the minimum period for filing statutory accounts is six months, financial statements for the year ended 31 August 2019 were not prepared. An application to change the accounting period from 15 May 2020 to 31 August 2020 was approved by Companies House on 22 January 2020. These accounts are therefore the first set of accounts to be filed and on that basis no comparative balances are included.

Directors of the company

The directors who have served during the period were as follows:

Ian Hunter
Stewart Keiller
Cosmo Lush
Anne Wickham

Principal activity

The principal activity of the company is to provide staff to its parent company, Knowledge Schools Trust (KST), and the sale of primary curriculum materials (and associated training and consultancy) to other schools.

At 31 August 2020 there was a legal obligation in place for the company to make a gift aid payment to its charitable parent company, Knowledge Schools Trust, which will be paid within nine months of the reporting date.

Directors' responsibilities

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 satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to do 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 for ensuring that the financial statements comply with the Companies Act 2006. The directors 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.

KST Enterprises Limited

Director's statement

For the sixteen months ended 31 August 2020

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

By order of the Board

Signature

A handwritten signature in black ink, appearing to read 'Anne Wickham', with a large, sweeping flourish at the end.

Anne Wickham, Director and Company Secretary

Date 29 January 2021

KST Enterprises Limited

Independent Auditor's Report to the Members of KST Enterprises Limited

For the sixteen months ended 31 August 2020

Opinion

We have audited the financial statements of KST Enterprises Limited (the 'company') for the sixteen months ended 31 August 2020, which comprise the profit and loss account and the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2020, 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

KST Enterprises Limited

Independent Auditor's Report to the Members of KST Enterprises Limited

For the sixteen months ended 31 August 2020

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 our 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4-5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

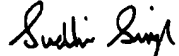
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

KST Enterprises Limited

Independent Auditor's Report to the Members of KST Enterprises Limited

For the sixteen months ended 31 August 2020

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.



Sudhir Singh FCA (Senior Statutory Auditor)

For and on behalf of
MHA MacIntyre Hudson

Chartered Accountants and Statutory Auditor

Sixth Floor
2 London Wall Place
London
EC2Y 5AU

Date: 29 January 2021

KST Enterprises Limited

Profit and Loss Account

As at 31 August 2020

		2020
	Note	£
Income	4	176,629
Staff costs	5	(123,638)
Consultancy costs		<u>(40,533)</u>
Gross profit		12,458
Administrative expenses	6	(5,041)
Interest income	7	5
Profit before taxation		<u>7,422</u>
Tax on profit / (loss)		-
Profit for the sixteen months ended 31 August 2020		<u><u>7,422</u></u>

KST Enterprises Limited

Balance Sheet

As at 31 August 2020

	Note	2020 £
Current assets		
Debtors	8	68,638
Cash at bank and in hand		22,340
		<u>90,798</u>
 Creditors: amounts falling due within one year	9	(83,555)
 Net current assets		<u>7,243</u>
 Total assets less current liabilities		<u>7,243</u>
 Net assets		<u>7,423</u>
Capital and reserves		
Called up share capital	10	1
Profit and loss account		7,422
 Shareholders' funds		<u>7,423</u>

These 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 on 29 January 2021.

Signed on behalf of the board of directors

Signature



Anne Wickham, Director

29 January 2021

The notes on pages Page 12 to Page 15 form part of these financial statements.

KST Enterprises Limited

Statement of Changes in Equity

For the sixteen months Ended 31 August 2020

	2020 Share Capital	2020 Retained Earnings	2020 Total
Opening balance as at 16 May 2019	1	-	1
Net profit for the year	-	7,422	7,422
Deduct: Distribution of profits to KST.	-	(7,422)	(7,422)
Closing balance as at 31 August 2020	<u>1</u>	<u>-</u>	<u>1</u>

KST Enterprises Limited

Notes to the Financial Statements

For the sixteen months Ended 31 August 2020

1 Summary of accounting policies

(a) General information and basis of preparation

KST Enterprises Limited is a company limited by shares incorporated in England within the United Kingdom. The address of the registered office is given in the company information on page 3 of these financial statements.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented unless otherwise stated.

(b) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in administrative expenses.

(c) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

(d) Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Sale of goods

Turnover from the sale of curriculum materials is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the materials.

Rendering of services

When the outcome of a transaction can be estimated reliably, turnover from consultancy or training services is recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to the provision of the consultancy service or training session.

Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

KST Enterprises Limited

Notes to the Financial Statements

For the sixteen months Ended 31 August 2020

Interest income

Interest income is recognised using the effective interest method.

(e) Employee benefits

The company operates a defined contribution plan through Nest for the benefit of its employees. Contributions are expensed as they become payable.

(f) Taxation

As the company gifts all its taxable profits to its parent Knowledge Schools Trust, there are no profits which incur corporation tax.

(g) Gift Aid payment to parent company

As per the Charities SORP (FRS 102) information sheet 2, the company pays all its taxable profits for the reporting period to its parent charity under the gift aid scheme. These gift aid payments are recognised as distributions to owners in equity within retained earnings.

(h) Cash and cash equivalents

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

2 Exceptional items

There were no exceptional items during the accounting period.

3 Employees

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

	Number
Before and After School/Holiday Club staff	9
Administration staff	2
Other staff	2
	<hr/> 13

4 Income

	2020 £
Income from the sale of primary curriculum materials and training	62,350
Income from provision of staff to KST	105,208
Income from before and after school clubs	9,071
	<hr/> 176,629

KST Enterprises Limited

Notes to the Financial Statements

For the sixteen months Ended 31 August 2020

5 Staff costs

	2020 £
Wages and salaries	117,125
Social security costs	5,363
Pension costs	1,150
	<u>123,638</u>

6 Administrative expenses

	2020 £
Auditors remuneration	2,250
Payroll costs	793
Other costs	1,998
	<u>5,041</u>

7 Interest

	2020 £
Bank interest received	5
	<u>5</u>

8 Debtors

	2020 £
Amounts owed from parent company (Knowledge Schools Trust)	45,994
Trade debtors	9,291
Prepayments	13,182
VAT	171
	<u>68,638</u>

This includes a long-term receivable of £7,128.

KST Enterprises Limited

Notes to the Financial Statements

For the sixteen months Ended 31 August 2020

9 Creditors: amounts falling due within one year

	2020 £
Trade creditors	86
Amounts owed to parent company (Knowledge Schools Trust)	54,677
Deferred income and accruals	24,817
Taxation and social security	3,676
Other creditors	299
	<u>83,555</u>

10 Share capital

	2020 £
Allotted	1
Called up and fully paid	1

11 Financial commitments

There are no financial commitments, guarantees and contingencies which are not included in the balance sheet.

12 Events after the end of the period

On 1 September 2020, the business activities of KST Enterprises expanded to include lettings income derived from the buildings owned by the parent company KST and the provision of wrap around care and holiday club provision for the pupils of the primary schools within KST.

13 Directors' advances, credit and guarantees

There are no advances to Directors or credits or guarantees in place.

14 Related party transactions

During the sixteen months ended 31 August 2020, KST Enterprises provided staff to KST, its parent company, and received £105,208 as payment. This is split between the four months to 31 August 2019 £9,072, and the twelve months to 31 August 2020 £96,136.

KST Enterprises received £16,667 from Knowledge Schools Foundation Trust, a company and registered charity that shares some common Trustees with KST. The donation is to assist KST Enterprises build its primary knowledge curriculum business in the 2020/21 financial year.

15 Controlling party

As noted in the Director's Statement, KSTE's immediate parent is Knowledge Schools Trust, company number 07493696, which is incorporated in England and Wales, and whose registered office is at West London Free School Primary, Cambridge Grove, London W6 0LB. KST does not produce consolidated financial statements as the activities of KSTE are not considered material to the group. The directors consider that there is no ultimate controlling party.