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Charity Registration No. 527598

Company Registration No. 00602279 (England and Wales)

ABBERLEY HALL LIMITED
GOVERNORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2013

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COMPANIES HOUSE

ABBERLEY HALL LIMITED

REFERENCE AND ADMINISTRATIVE INFORMATION

Governors

The Hon D P C Legh
C W Brickell
A Goddard
H A Granville
C Hope
A G Duncan
A R Manning-Cox
J McManus
O O'Sullivan
R M d'A Samuda
A J Stewart
V E C Taylor
M Turner

Headmaster

J G W Walker

Head Of Pre-Prep & Nursery

E Green

Joint Deputy Headmaster

C P Whitworth

Joint Deputy Headmaster

N Richardson

Secretary

J G W Walker

Charity Number

527598

Company Number

00602279

Registered Office

Abberley Hall
Worcester
WR6 6DD

Auditors

Kendall Wadley LLP
Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Bankers

Lloyds TSB Bank Plc
10 - 11 High Street
Stourport-on-Severn
Worcestershire
DY13 8DA

ABBERLEY HALL LIMITED

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ABBERLEY HALL LIMITED

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2013

The governors present their report and accounts for the year ended 31 August 2013

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's founding trust deed dated 8 July 1963, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005

Structure, governance and management

The Governors determine the general policy of the school. The Governors are the directors of the company and will be referred to as Governors throughout this report. The day to day management of the school is delegated to the Headmaster and Bursar.

The registered office of the charity is

Abberley Hall, Abberley, Worcestershire, WR6 6DD

The senior staff of the charity who served during the year were

Headmaster	J G W Walker
Joint Deputy Headmaster	N Richardson
Joint Deputy Headmaster	C Whitworth
Head Of Pre-Prep & Nursery	E Green

The governors, who are also the directors for the purpose of company law, who served during the year were

The Hon D P C Legh (Chairman)

C W Brickell FCA

A Goddard

H A Granville

C Hope

A G Duncan

A R Manning-Cox

J McManus

O O'Sullivan

R M d'A Samuda

A J Stewart

V E C Taylor

M Turner

The Hon D P C Legh and A G Duncan hold one ordinary share as joint nominees for the governing body. The Hon D P C Legh and A Goddard hold ninety nine ordinary shares as joint nominees for the governing body.

New governors are appointed by existing governors by recommendation and introduction and come from those professions and vocations that will give a balance of expertise in the governing body. The process of appointing new governors is done informally through a nominating committee.

The governing body is composed of members of the teaching and other professions, the business community and includes parents of children in the school.

The Headmaster, his Deputy, and the Head of Pre-Prep also attend meetings, although private meetings of Governors excluding the school staff are held when required.

ABBERLEY HALL LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

The principal form of training for the governors is by advice and experience of governors' meetings and occasional specific seminars on matters pertaining to governors' responsibilities and duties. The governors also have access to independent advice as and when such advice is required.

The charity is administered by the governing body which meets thrice yearly and, in addition, a finance and general purposes sub-committee which also meet three times a year.

The Headmaster acts as Chief Executive of the governors, reporting to and acting in accordance with the governors' instructions.

During the year Abberley Hall Limited traded on normal commercial terms with Abberley Hall Enterprises Limited, a company incorporated in England and Wales. Mr A. G. Duncan and The Hon D. P. C. Legh, who are governors of Abberley Hall Limited are the sole shareholders of Abberley Hall Enterprises Limited and hold the shares as nominees for Abberley Hall Limited. Rent is received from Abberley Hall Enterprises Limited for rent of the swimming pool owned by Abberley Hall Limited and fees are paid to Abberley Hall Enterprises Limited for use of the swimming pool on behalf of the pupils of the school.

The charitable company has not prepared consolidated financial statements for itself and its subsidiary undertaking, Abberley Hall Enterprises Limited, as the results of the subsidiary are not considered to be material to the group.

The governors examine the major risks that the school faces each year when preparing and updating the strategic plan. The charity has developed systems to monitor and control these risks to mitigate any impact that they may have on the school in the future.

Objectives and activities

The objects are set out in the Memorandum so as to provide a complete and systematic education and to provide for instruction and education in any subject whatsoever and generally to promote education. In accordance with the Memorandum the Preparatory School is both a day and boarding school for girls and boys aged up to 13, educating them to a high standard so enabling them to be able to move to a senior school.

The school continues to widen the education of the pupils by taking numbers of them to a chalet owned by the school situated in France where the children can learn not only the language but also how the nationals of another country live.

The company, which is an educational charity, was engaged during the year in the provision of preparatory school education for children aged between two and a half and thirteen.

The school's policy is to achieve an informal and friendly approach to school life, and to combine this with the discipline which enables all pupils to reach their full potential. The school's commitment to the needs of each pupil as an individual encourages achievement both in and out of the classroom.

ABBERLEY HALL LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Definable Public Benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'

Charitable contributions through assisted places

During the year 43 pupils (2012 48 pupils) received help with fees, of which 2 pupils (2012 3 pupils) were supported by their Local Authority and Charitable Children's Trusts. These children have at some time been at risk of being taken into care and all are monitored by Social Services.

Of the remaining 41 pupils, 2 pupils (2012 2 pupils) have special educational needs that are not being met by the maintained sector and received an average discount on fees of £2,000 per child.

The other 39 pupils (2012 43 pupils) were from families who had applied for boarding or day places and requested help with the fees. This was mostly in the region of 20% to 30%, although greater levels of assistance are given to families who have paid full fees in the past but who have fallen on difficult times.

In addition, during the year pre-prep pupils included no pupils (2012 no pupils) supported by their Local Authority and Charitable Children's Trusts, no pupils (2012 no pupils) receiving discounts for special educational needs and 7 pupils (2012 9 pupils) receiving discounts after requesting help with their fees.

The school offers free and assisted places to children dependent upon a wide range of criteria and need, but always dependent upon financial circumstances. The assisted places are divided into

- Boarding and pastoral needs - Children who have need because of family circumstances, either financial or otherwise, and the level of assistance is not limited but the school will help to find other sources of funding, and where families are remote from the school or there is frequent moving required by their employers.
- Educational needs - The Governors' policy allows help to be given to families who have children with special educational needs which range from gifted and talented children to those with learning difficulties such as dyslexia and dyspraxia.

Other Public Benefit

Hire and permitted use of facilities

The school allows a wide range of groups to hire or use for no charge the school's facilities and grounds and this enables help to be given to the local community and particularly children and young people.

Those groups include cubs and scouts, the local cricket club and the local angling club, as well as local schools who hire the indoor swimming pool on a regular basis together with local families who are members of the swimming club. The school's hall and Astroturf facilities are used by local clubs and individuals.

Holiday clubs

The school organises a series of holiday activities during each of the three full term school holidays and these are open to all. Large numbers of local families take advantage of these holiday clubs.

Work experience and student teacher placement

The school provides work experience opportunities for a number of young people each year and over the last few years has helped Worcester University by offering places to student teachers as they were unable to find enough places in maintained schools.

ABBERLEY HALL LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Raising funds for charities

The school has a history of supporting other charities, most importantly with a fund raising fete held every five years. The last fete was held in 2009 and the proceeds of this event went directly to 3 local charities and the Abberley Foundation, each of whom received approximately £3,000. This year the school raised £374 by organising a fun run. They also raised £813 for St Richard's Hospice, £191 for Pancreatic Cancer UK and £193 for Oxfam. £143 was raised for the Treloar Trust, and £460 was raised for the local church by a carol service.

Heritage

The school has a responsibility for maintaining the historical buildings, the main house - Abberley Hall - the Stable Yard, the Clock Tower and the two lodges which are Grade II* listed. The school also maintains the gardens and grounds which are of historical significance and in the last ten years the water garden and other features have been slowly restored. One of the grounds staff is permanently assigned to these areas and the woodland is well managed with areas being regularly replanted with appropriate trees. Notwithstanding the difficulties brought about by health and safety regulations and the school's policies for the safeguarding of children, the school does allow limited access to the general public to the Clock Tower, its principal heritage asset.

Links with local maintained schools and activities for children

The school is putting greater efforts into this area of activity to include the creation of stronger links through offering facilities at the school, or finding areas of cooperation. Apart from the hiring of the swimming pool, with staff, if needed, to the seven local primary schools, an annual football tournament for Year 4 children is organised each October and the primary schools come to the school for art lessons. The school is trying to develop other areas of cooperation and use of the sporting facilities.

School Operating Policies

Safeguarding children policy

Abberley Hall School fully recognises its responsibilities for safeguarding children. Our policy applies to all staff, governors and volunteers working in the school. This is a 'whole school policy'.

There are five main elements to our policy:

- Ensuring we practice safe recruitment in checking the suitability of staff and volunteers to work with children,
- Raising awareness of child protection issues and equipping children with the skills needed to keep them safe,
- Developing and then implementing procedures for identifying and reporting cases, or suspected cases, of abuse,
- Supporting pupils who have been abused in accordance with his/her agreed child protection plan,
- Establishing a safe environment in which children can learn and develop.

We follow the procedures set out by the Local Safeguarding Children Board (LSCB) and take account of guidance issued by the Department for Children, Schools and Families (DCSF).

Children volunteering policy

The children are considered too young to be able to volunteer. Any benefit that the school receives from the extra-curricular activities that the children participate in is considered to be incidental to the event.

ABBERLEY HALL LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Health and safety policy

The school attaches the utmost importance to the safety, health and welfare of its employees and pupils. The school will comply with the provisions of the Health and Safety at Work Act 1974 and all subsequent regulations, including those implementing EC Directives. The school governors bear ultimate responsibility to provide leadership and day to day responsibilities are delegated to the Headmaster and the Health & Safety officer.

The management team will take steps so far as is reasonably practicable to ensure that the workplace is a safe and healthy environment in which its employees, pupils, contractors and other persons affected by the school/college operations can work.

The management team will make the necessary assessments, identify safety training and provide information and supervision for employees at all levels. It will consult on a regular basis with all employees/staff representatives with regards to health and safety issues. It will provide the necessary safety devices and protective clothing, provided that a safer working environment cannot be achieved by any other means.

Anti-bullying policy

Our aim is to create a School in which children grow up happily, free to pursue their own interests but with consideration for others, and free from fear. We hope to prevent bullying before it occurs through the continuing vigilance of all children and staff, by educating children in their responsibility for themselves and each other, and by agreeing a definition of bullying, so that all children and staff have a clear understanding of what we, as a School, consider unacceptable behaviour. There are no 'initiation ceremonies' intended to cause pain, anxiety or humiliation. It is the school's aim that pupils do not identify bullying as a problem.

Parental complaints procedure

This policy is to ensure that any party making a complaint can feel confident that there is someone in the school to whom they can turn who will treat the complaint seriously and in confidence. A complaint is an expression of dissatisfaction with a real or a perceived problem, however small. The Stages of this policy give a step by step approach to resolving any complaint and are as follows:

- Stage 1 Informal Resolution - Most complaints and concerns are resolved quickly and informally. Parents with a complaint will normally contact their son/daughter's Form Tutor. In many cases, the matter will be resolved straightaway to the parents' satisfaction. If the Form Tutor cannot resolve the matter alone, it may be necessary to consult the Headmaster.
- Stage 2 Formal Resolution - If the complaint cannot be resolved as in stage 1, then the parents will put their complaint in writing to the Headmaster. The Headmaster will decide, after considering the complaint, the appropriate course of action to take. Once the Headmaster is satisfied that, so far as is practicable, all of the relevant facts have been established, a decision will be made and parents will be informed of this decision in writing.
- Stage 3 Consultation with the Chairman of Governors - If parents seek to invoke Stage 3 (following a failure to reach an earlier resolution with the Headmaster), they will be referred to the Chairman of Governors. The Chairman will meet with the parents to hear their complaint and consider any evidence. After due consultation and consideration of all facts, the Chairman will reach a decision and may make recommendations.

Other areas of note

The school does not have formal guidelines regarding employment policies, environmental policies or inspection procedures, as these are laid down by the applicable regulations and law.

The charity does not offer academic scholarships and thrives on an open academic access policy.

ABBERLEY HALL LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Achievements and performance

The performance achieved by the charity was measured in financial terms by comparing the actual surplus, £145,946 (2012 £192,126 surplus), with the budgeted surplus of £200,087 (2012 surplus of £220,862). The financial performance of the school is, to a large extent, determined by the numbers of pupils which were slightly higher than expected at 189 actual boarder equivalents compared with the budgeted figure of 179 (2012 189 compared to budgeted 183).

Financial review

The unrestricted surplus for the year was £160,305, which with a designated fund deficit of £16,359 and restricted fund surplus of £2,000 gave a total surplus for the year amounting to £145,946 (2012 £192,126 surplus). In the opinion of the governors the state of affairs of the company is satisfactory.

The School's unrestricted funds stood at £3.83m (2012 £3.72m) at the year end, following the allocation of £0.05m to designated funds, and were wholly deployed as part of the school premises and equipment, and with the need for day to day working capital met by careful management of short term liquid resources in the absence of free reserves.

The Governors consider that the fees due at the start of each term of around £1,100,000 to £1,150,000 for a four month period are sufficient to cover the risks and uncertainties of operating as an independent educational establishment.

The policy is therefore to continue building up reserves out of annual operating surpluses until that level is reached, subject to the prior demands of further capital expenditure to equip the school with the up to date facilities needed to maintain the standard of educational services currently provided. This is part of a strategic capital site plan to enhance the facilities from surpluses by continued reinvestment subject to the governors' confidence regarding the ongoing revenue position.

Asset cover for funds

Note 25 sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

Details of the fixed assets are given in the notes forming part of the financial statements for the year ended 31 August 2013. In the opinion of the governors the value of the freehold property exceeds the net book value shown in the financial statements, but they consider no useful purpose would be served by bearing the cost of an independent revaluation. The insurance value of the buildings of the school is £13.2m. It should be noted that this is the estimated cost of replacement as new and excludes the value of the land.

Plans for the future

Future plans include the refurbishment and extension of the sports hall.

The charity aims to make a surplus as this is its only renewable source of capital which enables it to invest in new facilities and the very best quality of education, as well as offering scholarship places to those unable to meet the full burden of fees.

ABBERLEY HALL LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution proposing that Kendall Wadley LLP be reappointed as auditors of the company will be put to the members.

On behalf of the board of governors

A handwritten signature in black ink, appearing to read 'D P.C. Legh', with a long horizontal flourish extending to the right.

The Hon D P.C. Legh (Chairman)

Governor

Dated 14 March 2014

ABBERLEY HALL LIMITED

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors, who are also the directors of Abberley Hall Limited for the purpose of company law, are responsible for preparing the Governors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the governors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year

In preparing these accounts, the governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

ABBERLEY HALL LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ABBERLEY HALL LIMITED

We have audited the accounts of Abberley Hall Limited for the year ended 31 August 2013 set out on pages 11 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the statement of governors' responsibilities, the governors, who are also the directors of Abberley Hall Limited for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the governors, and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards in the circumstances set out in note 31 to the accounts.

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

ABBERLEY HALL LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ABBERLEY HALL LIMITED

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

J. T. Marston

Jonathan Marston BA FCA (Senior Statutory Auditor)
for and on behalf of Kendall Wadley LLP

Chartered Accountants

Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Dated 14 March 2014

ABBERLEY HALL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2013 £	Total 2012 £
Incoming resources from generated funds						
Donations and legacies	2	-	-	-	-	13,807
Activities for generating funds	4	169,325	-	-	169,325	69,309
Investment income	5	485	-	-	485	704
		169,810	-	-	169,810	83,820
Incoming resources from charitable activities	3	3,856,618	-	-	3,856,618	4,013,868
Other incoming resources	6	-	-	2,000	2,000	-
Total incoming resources		4,026,428	-	2,000	4,028,428	4,097,688
Resources expended						
Costs of generating funds						
School uniform purchases		24,689	-	-	24,689	14,607
Charitable activities						
Teaching costs		2,162,537	-	-	2,162,537	2,180,264
Welfare		758,405	-	-	758,405	729,679
Premises		429,735	16,359	-	446,094	463,234
Extracurricular activities		393,267	-	-	393,267	466,316
Total charitable expenditure		3,743,944	16,359	-	3,760,303	3,839,493
Governance costs		88,106	-	-	88,106	42,131
Other resources expended		9,384	-	-	9,384	9,331
Total resources expended	7	3,866,123	16,359	-	3,882,482	3,905,562
Net incoming/(outgoing) resources before transfers		160,305	(16,359)	2,000	145,946	192,126
Gross transfers between funds	14 & 24	(50,000)	50,000	-	-	-
Net income for the year/ Net movement in funds		110,305	33,641	2,000	145,946	192,126
Fund balances at 1 September 2012		3,718,404	50,000	-	3,768,404	3,576,278
Fund balances at 31 August 2013		3,828,709	83,641	2,000	3,914,350	3,768,404

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006

ABBERLEY HALL LIMITED


BALANCE SHEET

AS AT 31 AUGUST 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	15	4,312,915		4,333,211	
Current assets					
Stocks	16	65,365		57,102	
Debtors	17	322,647		335,572	
Investments	18	50		50	
Cash at bank and in hand		25,441		47,732	
		<u>413,503</u>		<u>440,456</u>	
Creditors: amounts falling due within one year	19	<u>(812,068)</u>		<u>(985,416)</u>	
Net current liabilities			<u>(398,565)</u>		<u>(544,960)</u>
Total assets less current liabilities		3,914,350		3,788,251	
Creditors: amounts falling due after more than one year	20		<u>-</u>		<u>(19,847)</u>
Net assets		3,914,350		3,768,404	
Share capital	22		100		100
Income funds					
Restricted funds	23		2,000		-
Designated funds	24		83,641		50,000
Unrestricted funds			<u>3,828,609</u>		<u>3,718,304</u>
			<u>3,914,350</u>		<u>3,768,404</u>

The accounts were approved by the Board on 14 March 2014

The Hon D P C Legh (Chairman)
Governor


A G Duncan
Governor

Company Registration No. 00602279

ABBERLEY HALL LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £	2012 £
Net cash inflow from operating activities	26	127,998	150,635
Returns on investments and servicing of finance			
Financing costs	(9,384)	(9,331)	
Net cash outflow from returns on investments and servicing of finance		(9,384)	(9,331)
Capital expenditure			
Payments to acquire tangible fixed assets	(22,212)	(117,784)	
Receipts from sales of tangible fixed assets	1,201	13,885	
Net cash outflow from capital expenditure		(21,011)	(103,899)
Net cash inflow before financing		97,602	37,403
Financing			
Repayment of long term bank loan	(19,320)	(27,018)	
Net cash outflow from financing		(19,320)	(27,018)
Increase in cash	27	78,282	10,385

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006

1.2 Incoming resources

School fees represent teaching and boarding services provided for the academic year invoiced to the parents and guardians for the pupils attending the school

Fees for extracurricular activities represent charges to pupils who participate in after school activities, clubs and school trips

French chalet income represents a mixture of income charged to pupils who participate in educational and recreational stays at the chalet

Supported learning fees represent additional tuition provided to pupils during the academic year invoiced to the parents and guardians of the pupils

Incoming resources are recognised to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where payments are received in advance of teaching and boarding services provided, the amounts are recorded as deferred income and included as part of creditors due within one year

Uniform sales represents amounts receivable for school uniforms sold, invoiced to the parents or guardians of the pupils, and are recognised when the school uniforms are physically received by the pupils

Donations, grant, investment, rental and other incoming resources are recognised on a receivable basis

1.3 Resources expended

Resources expended are recognised on an accruals basis and are summarised under functional headings on a direct cost basis, inclusive of any unrecoverable input VAT

Costs for generating funds comprise of costs which are directly attributable to activities that are engaged solely to raise funds and do not relate to the charitable activities of the charity

Expenditure relating to charitable activities comprise of all expenses that are incurred in the running of the school and all related activities

Governance costs are costs that are directly attributable to the management of the charity's assets, organisational procedures and legal procedures for compliance with statutory requirements

Support costs which do not directly relate to the main activities of the school are apportioned over the charitable activities of the charity on a percentage of staff costs basis

Other resources expended include costs which the charity has not been able to analyse to either direct, support or governance costs and relate to the financing activities of the charity

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting Policies

(continued)

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	no depreciation
Alterations and improvements	no depreciation
Grounds and computer equipment	10% on net book value to 33% on cost
Furniture, plant and fittings	10% on cost
Motor vehicles	25% on cost

The charitable company does not depreciate its freehold buildings as required by the Companies Act 2006 and Financial Reporting Standard No 15. The nature of the charitable company's activities and the regulatory environment in which it operates means that the company has to carry out a regular programme of maintenance to ensure its premises continue to meet the required high standards throughout its estimated useful life. In the opinion of the directors, the effect of this maintenance is that the estimated residual value of the freehold buildings is not materially different from cost and so the total amount that would be subject to depreciation is not material. For this reason, it is not necessary to account for depreciation.

If depreciation were provided, the surplus in the year would be reduced and there would be an equivalent reduction in the value of tangible fixed assets and retained unrestricted funds and the balance sheet totals.

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

1.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.6 Investments

Current asset investments are stated at the lower of cost and net realisable value.

1.7 Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value represents estimated selling price. Provision is made for slow moving, obsolete or damaged stock where the net realisable value is less than cost.

1.8 Pensions

The school participates in a multi-employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ("the scheme"), for its teaching staff. As a result, it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the school. As such, the contributions are accounted for as if the scheme were defined contribution and charged as they become payable. Further details are included in the notes to the financial statements.

The charity also operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting Policies

(continued)

1.9 Accumulated funds

Donations received for the general purposes of the charity are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the governors.

The designated fund has arisen after a decision by the board to allocate some funds for improvements required to the headmaster's house.

1.10 Rental of swimming pool

Rental income receivable for the rent of the swimming pool is charged against income on a straight line basis over the period of the lease.

1.11 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

2 Donations and legacies

	Total 2013 £	Total 2012 £
Grants receivable	-	13,807
Grants receivable comprise		
Department of Energy and Climate Change	-	13,807
	-	13,807

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

3 Incoming resources from charitable activities

	2013 £	2012 £
Income from main charitable activities	3,481,210	3,530,117
Fees for extracurricular activities	268,242	364,043
Supported learning fees	41,680	55,221
French chalet income	65,486	64,487
	<u>3,856,618</u>	<u>4,013,868</u>
Income from main charitable activities		
School fees	4,085,396	4,160,620
After school care	4,336	7,577
Allowances	(590,286)	(623,575)
Commission	(18,236)	(14,505)
	<u>3,481,210</u>	<u>3,530,117</u>

4 Activities for generating funds

	2013 £	2012 £
Income generated from trading activities		
Rent receivable	-	2,426
Milk subsidy	1,635	1,704
Uniform shop	33,415	19,194
Miscellaneous income	24,550	3,148
Swimming pool rent receivable	32,000	35,000
Spode music week	15,001	7,122
Rural payment agency	882	715
Summer boarding school	61,842	-
	<u>169,325</u>	<u>69,309</u>
Trading activities expenditure		
School uniform costs	(24,689)	(14,607)
	<u>144,636</u>	<u>54,702</u>
Net income from trading activities		

5 Investment income

	2013 £	2012 £
Interest receivable	485	704

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

6 Other incoming resources

	2013	2012
	£	£
Other income	2,000	-

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

7 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2013 £	Total 2012 £
Costs of generating funds					
School uniform purchases	-	-	24,689	24,689	14,607
Charitable activities					
<u>Teaching costs</u>					
Activities undertaken directly	1,806,235	-	112,355	1,918,590	1,972,955
Support costs	86,174	14,433	143,340	243,947	207,309
Total	1,892,409	14,433	255,695	2,162,537	2,180,264
<u>Welfare</u>					
Activities undertaken directly	307,054	3,708	415,330	726,092	696,031
Support costs	14,632	2,435	15,246	32,313	33,648
Total	321,686	6,143	430,576	758,405	729,679
<u>Premises</u>					
Activities undertaken directly	127,037	19,724	285,967	432,728	448,827
Support costs	6,053	1,008	6,305	13,366	14,407
Total	133,090	20,732	292,272	446,094	463,234
<u>Extracurricular activities</u>					
Activities undertaken directly	154,335	-	238,932	393,267	466,316
	2,501,520	41,308	1,217,475	3,760,303	3,839,493
Governance costs	48,278	-	39,828	88,106	42,131
Other resources expended	-	-	9,384	9,384	9,331
	2,549,798	41,308	1,291,376	3,882,482	3,905,562

Other resources expended comprise of bank interest and bank charges payable during the year

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

8 Activities undertaken directly

	2013 £	2012 £
Other costs relating to teaching costs comprise		
Healthcare	14,469	17,753
Books	17,049	19,927
Science	2,632	1,431
Art and CDT	10,037	13,195
Drama	2,301	12,467
IT	11,284	12,193
Sports	7,306	3,367
Other academic subjects	22,770	17,713
Training	9,086	36,185
Healthcare for pre-prep pupils	1,870	2,920
Books and stationery for pre-prep pupils	13,551	6,682
	112,355	143,833
Other costs relating to welfare comprise		
Medical expenses	7,471	8,148
Oil	85,378	71,850
Gas	24,135	18,515
Electricity	42,101	35,707
Meals and provisions	152,027	150,737
Housekeeping	26,148	27,115
Travel expenses	45,070	40,291
Meals for pre-prep pupils	33,000	30,000
	415,330	382,363
Other costs relating to premises comprise		
Grounds expenses	38,033	34,067
Repairs and maintenance	169,216	201,530
Rates	24,558	24,243
Swimming pool rental	37,801	42,830
Repairs to Headmaster's House	16,359	-
	285,967	302,670
Other costs relating to extracurricular activities comprise		
Clubs, trips and other after school activities	191,030	250,352
French chalet activities	51,563	60,720
Exchange rate (profit)/loss on French chalet activities	(3,661)	(4,555)
	238,932	306,517

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

9 Support costs

	Teaching costs £	Welfare £	Premises £	Total 2013 £	Total 2012 £
Other costs	143,340	15,246	6,305	164,891	126,834
Staff costs	86,174	14,632	6,053	106,859	106,102
Depreciation	14,433	2,435	1,008	17,876	22,428
	<u>243,947</u>	<u>32,313</u>	<u>13,366</u>	<u>289,626</u>	<u>255,364</u>

Support costs that do not directly relate to the main activities of the school are apportioned on a percentage of staff costs attributable to each of the charitable activities basis (see note 7)

	2013 £	2012 £
Other support costs relating to teaching costs comprise		
Healthcare	1,657	2,784
Insurance	21,919	23,986
Telephone	4,329	4,376
Postage	4,221	4,370
Subscriptions	6,478	4,876
General office expenses	4,100	7,672
Bad debt expense	35,090	(431)
Promotional expenditure	44,475	48,525
Entertainment	2,611	2,233
Exchange rate (profit)/loss on trade debtors	-	(4,042)
Staff recruitment	14,140	1,540
Rent of flats for staff	4,320	7,520
	<u>143,340</u>	<u>103,409</u>

Other support costs relating to welfare comprise

Healthcare	281	462
Insurance	3,722	3,981
Telephone	735	726
Postage	717	725
Subscriptions	1,100	809
General office expenses	696	1,273
Promotional expenditure	7,552	8,055
Entertainment	443	371
	<u>15,246</u>	<u>16,402</u>

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

9 Support costs

(continued)

Other support costs relating to premises comprise

Healthcare	116	197
Insurance	1,539	1,705
Telephone	304	311
Postage	296	311
Subscriptions	455	347
General office expenses	288	545
Promotional expenditure	3,124	3,449
Entertainment	183	158
	<u>6,305</u>	<u>7,023</u>

10 Governance costs

2013
£

2012
£

Other governance costs comprise

Legal and professional fees	12,828	15,131
Accountancy and audit fees	27,000	27,000
	<u>88,106</u>	<u>42,131</u>

Accountancy and audit fees includes payments for audit services of £5,000 (2012 £5,000) and £22,000 (2012 £22,000) for accounts preparation and taxation services

11 Other resources expended

2013
£

2012
£

Other resources expended comprise

Bank overdraft interest paid	1,607	1,362
Bank charges paid	4,636	3,504
Fees in advance interest paid	2,341	2,979
French mortgage interest payable	800	1,486
	<u>9,384</u>	<u>9,331</u>

The school operate a scheme whereby the parents of some pupils pay a lump sum for all school fees payable during the pupil's expected stay at the school. Such fees are discounted when the lump sum is received and included above

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

12 Governors

None of the governors (or any persons connected with them) received any remuneration during the year

No governors received any reimbursement of expenses during the year

13 Employees

Number of employees

The average monthly number of employees during the year was

	2013 Number	2012 Number
Teachers	62	69
Welfare staff	32	31
Premises maintenance staff	6	6
Extra-curricular and support staff	14	16
Administration staff	5	5
	<u>119</u>	<u>127</u>

Employment costs

	2013 £	2012 £
Wages and salaries	2,188,519	2,174,041
Social security costs	154,649	151,607
Other pension costs	206,630	202,981
	<u>2,549,798</u>	<u>2,528,629</u>

The number of employees whose annual emoluments were £60,000 or more were

	2013 Number	2012 Number
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>1</u>	<u>1</u>

Contributions made to multi-employer defined benefit pension schemes on behalf of employees whose emoluments exceed £60,000 totalled £15,871 (2012 £14,654)

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

14 Transfers

During the year it was decided that £50,000 should be allocated to the designate fund for future expenditure required on improving the headmaster's house. See note 24 for further details regarding the designated funds.

15 Tangible fixed assets

	Freehold land and buildings	Alterations and improvements	Grounds and computer equipment	Furniture, plant and fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2012	2,384,765	1,731,817	416,931	43,602	43,455	4,620,570
Additions	-	-	13,812	8,400	-	22,212
Disposals	-	-	(745)	-	(8,625)	(9,370)
At 31 August 2013	2,384,765	1,731,817	429,998	52,002	34,830	4,633,412
Depreciation						
At 1 September 2012	-	-	238,760	9,453	39,146	287,359
On disposals	-	-	(145)	-	(8,025)	(8,170)
Charge for the year	-	-	33,903	3,697	3,708	41,308
At 31 August 2013	-	-	272,518	13,150	34,829	320,497
Net book value						
At 31 August 2013	2,384,765	1,731,817	157,480	38,852	1	4,312,915
At 31 August 2012	2,384,765	1,731,817	178,172	34,149	4,308	4,333,211

Freehold land and building additions relate to the construction of a new classroom block and additional staff accommodation.

16 Stocks

	2013 £	2012 £
School uniforms	54,376	49,358
Heating oil	8,723	5,908
Gas	2,266	1,836
	65,365	57,102

FOR THE YEAR ENDED 31 AUGUST 2013

19	Creditors: amounts falling due within one year	2013 £	2012 £
	Bank loans	21,043	20,516
	Bank overdrafts	199,289	299,862
	Trade creditors	82,238	120,537
	Fees in advance	114,328	180,332
	Payments on accounts	258,861	257,019
	Taxes and social security costs	48,272	49,573
	Pension creditor	54,760	26,819
	Other creditors	22,977	20,458
	Accruals	10,300	10,300
		812,068	985,416

Payments on account relates to next term school fees received early

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

20 Creditors: amounts falling due after more than one year	2013	2012
	£	£
Bank loans	-	19,847
Analysis of loans		
Wholly repayable within five years	21,043	40,363
Included in current liabilities	(21,043)	(20,516)
	-	19,847
Loan maturity analysis		
In more than one year but not more than two years	-	19,785
In more than two years but not more than five years	-	62
	-	19,847

This creditor refers to a mortgage taken out in order to purchase a Chalet in France. The loan is repayable at €2,247 per month at 3.8% interest per year. An exchange rate profit of £2,089 (2012 profit of £6,028) was earned on the loan during the year. The mortgage is secured on the Chalet, which is included in freehold land and building fixed assets at a value of £246,520 (2012 £257,762).

21 Pension costs

Under the definitions set out in the Financial Reporting Standard 17 (Retirement benefits), the Teachers' Pension Scheme (England and Wales) is a multi-employer scheme for its teaching staff. The charity is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the charity has accounted for its contributions as if it were for a defined contribution scheme.

The defined benefit pension cost charge for the year reflecting in these accounts represents contributions payable by the charity to the fund and amounted to £201,505 (2012 £196,803). At the year end there was a creditor of £54,760 (2012 £26,819) due to the Teachers' Pension Scheme. Resource accounts of the Scheme for the year ended 31 March 2013 revealed that the present value of the defined benefit obligations at 31 March 2013 (the estimated cost of past and future service benefits of existing members) amounted to £225 billion.

The charity also paid pension contributions £5,125 (2012 £16,177) into defined contribution schemes.

22 Share capital

	2013	2012
	£	£
Issued share capital	100	100

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

23 Restricted funds

	Balance at 1 September 2012	Movement in funds		Balance at 31 August 2013
	£	Incoming resources £	Resources expended £	£
Prize fund	-	2,000	-	2,000
	-	2,000	-	2,000

Prize fund - funds received for the financing of prizes awarded to pupils during their time at the school

24 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Governors for specific purposes

	Balance at 1 September 2012	Movement in funds			Balance at 31 August 2013
	£	Incoming resources £	Resources expended £	Transfers £	£
Property improvement reserve	50,000	-	(16,359)	50,000	83,641
	50,000	-	(16,359)	50,000	83,641

During the year it was decided that £50,000 be set aside for future repairs required to the headmaster's house

25 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 August 2013 are represented by				
Tangible fixed assets	4,312,915	-	-	4,312,915
Current assets	327,862	83,641	2,000	413,503
Creditors amounts due within one year	(812,068)	-	-	(812,068)
	3,828,709	83,641	2,000	3,914,350

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

26	Net cash inflow from operating activities	2013	2012		
		£	£		
	Reconciliation to changes in resources				
	Changes in resources before revaluations	145,946	192,126		
	Financing costs	9,384	9,331		
	Depreciation of tangible fixed assets	41,308	48,647		
	Increase in stocks	(8,263)	(10,621)		
	Decrease/(increase) in debtors	12,925	(75,249)		
	Decrease in creditors	(73,302)	(13,599)		
		<u>127,998</u>	<u>150,635</u>		
27	Reconciliation of net cash flow to movement in net debt	2013	2012		
		£	£		
	Increase in cash	78,282	10,385		
	Repayment of long term bank loan	19,320	27,018		
		<u>97,602</u>	<u>37,403</u>		
	Movement in net debt	97,602	37,403		
	Net debt at 1 September 2012	(292,443)	(329,846)		
		<u>(194,841)</u>	<u>(292,443)</u>		
	Net debt at 31 August 2013	(194,841)	(292,443)		
28	Analysis of net debt				
		At 1	Cash flow	Non-cash	At 31 August
		September		changes	2013
		2012			
		£	£	£	£
	Cash at bank and in hand	47,732	(22,291)	-	25,441
	Bank overdrafts	(299,862)	100,573	-	(199,289)
			<u>78,282</u>		
	Debt due within one year	(20,516)	19,320	(19,847)	(21,043)
	Debt due after one year	(19,847)	-	19,847	-
			<u>19,320</u>		
	Current asset investments	50	-	-	50
		<u>(292,443)</u>	<u>97,602</u>	<u>-</u>	<u>(194,841)</u>

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

29 Operating leases

	2013	2012
	£	£

At 31 August 2013 the company had annual commitments under non-cancellable operating leases as follows

Between two and five years	14,274	12,422
In over five years	4,762	835
	<u>19,036</u>	<u>13,257</u>

During the year amounts payable in respect to operating leases were as follows

Hire of motor vehicles	12,453	12,498
Hire of office equipment	6,432	8,240
	<u>18,885</u>	<u>20,738</u>

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

30 Related parties

During the year Abberley Hall Limited traded on normal commercial terms with Abberley Hall Enterprises Limited, a company incorporated in England and Wales. Mr A G Duncan and The Hon D P C Legh, who are governors of Abberley Hall Limited are the sole shareholders of Abberley Hall Enterprises Limited and hold the shares as nominees for Abberley Hall Limited. Rent received from Abberley Hall Enterprises Limited during the year amounted to £32,000 (2012 £35,000) and fees paid to Abberley Hall Enterprises Limited for use of the swimming pool totalled £37,801 (2012 £35,692), including unrecoverable VAT. During the year Abberley Hall Limited received £23,000 (2012 £23,000) recharges for oil and wages from Abberley Hall Enterprises Limited. Expenses and VAT payments totalling £6,324 (2012 £15,273) were met by Abberley Hall Limited on behalf of Abberley Hall Enterprises Limited and cash of £13,980 (2012 £14,691) was collected on behalf of Abberley Hall Enterprises Limited. At the year end £6,141 (2012 £20,278) was owed by Abberley Hall Enterprises Limited to Abberley Hall Limited.

During the year 4 of the Governors (2012 3 Governors) had 6 children (2012 4 children) attending the school. The school charged them a total of £85,455 (2012 £56,025) for school fees and £12,529 (2012 £6,237) for extras and disbursements. School fees were charged at full rates, except for 2 children (2012 1 child) who received standard rate remission available to all children who have an older sibling attending the school.

During the year Mr John Walker, the company secretary and headmaster of the school, had a step-grandchild at the school. The school charged school fees for this pupil of £4,860 (2012 £4,860), including the standard remission due to children of staff members, and extras of £1,493 (2012 £2,369). At the year end the school had debtors relating to this pupil of £685 (2012 £2,371).

The Abberley Hall Foundation is a charity whose objectives are the advancement of the education of the pupils of Abberley Hall School by assisting in the maintenance, improvement and development of buildings and facilities at the School. Mr A J Stewart and Mr V E C Taylor are trustees of both charities. At the year end £2,615 (2012 £2,531) was owed by The Abberley Hall Foundation to Abberley Hall Limited for expenses paid on their behalf amounting to £6,480 (2012 £7,735). Also during the year The Abberley Hall Foundation paid for renovation work at Abberley Hall amounting to £1,800 (2012 £18,620).

During the year the school paid legal fees to Whatley Weston & Fox Solicitors amounting to £500 (2012 £15,161). Mr A G Duncan, who is a governor of Abberley Hall Ltd, is also a partner of Whatley Weston & Fox Solicitors.

The school paid legal fees of £11,379 (2012 £nil) to Wragge & Co. A R Manning-Cox is a partner of Wragge & Co. and is also a governor of Abberley Hall Ltd.

31 Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the termly management accounts, prepare and submit returns to the tax authorities and assist with the preparation of the year end financial statements.