

Company Registration No. 03013551 (England and Wales)

ABERCORN SCHOOL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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ABERCORN SCHOOL LIMITED

COMPANY INFORMATION

Directors	A S Greystoke	
	J Clarke	(Appointed 29 September 2016)
	S P Redrupp	
	D W Morse	(Appointed 1 June 2016)
	A M F Snell	
Secretary	Connaught Secretaries Limited	
Company number	03013551	
Registered office	42-50 Hersham Road Walton-on-Thames Surrey United Kingdom KT12 1RZ	
Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW	

ABERCORN SCHOOL LIMITED

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ABERCORN SCHOOL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The directors present the strategic report for the year ended 31 August 2016.

Fair review of the business

The directors are satisfied with the results for the year and confidently expect the company to continue to improve in the future.

The school had a successful year. Its key performance indicators are pupil numbers and academic achievement. The average pupil number for this financial year was 385 (2015: 389), the lack of movement reflecting stability in still uncertain economic circumstances. A rolling programme of events promotes awareness of the School, its achievements, curriculum, teaching methods, staff and availability of places for a given academic year.

The school remains committed to providing first class education to all our pupils in a safe and caring environment.

The directors would like to thank all those who have continued to support the school and have contributed to another successful year.

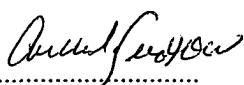
Principal risks and uncertainties

The directors keep the school's activities under review, particularly with regard to any major risks such as pupil numbers, staff retention, pupil welfare and achievements that may arise from time to time, and monitor the effectiveness of the system of internal controls and other means, including insurance cover where appropriate, by which those risks already identified by the school can be mitigated.

Other performance indicators

As at 31 August 2016 the company increased its profits after tax to £126,322 with a cash balance of £147,944 (2015: £1,010).

On behalf of the board



A S Greystoke

Director

15 May 2017

ABERCORN SCHOOL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The directors present their annual report and financial statements for the year ended 31 August 2016.

Principal activities

The principal activity of the company continued to be that of running a nursery, pre-preparatory and preparatory school.

Directors

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

A S Greystoke

J Clarke

A P Millard

S P Redrupp

D W Morse

A M F Snell

(Appointed 29 September 2016)

(Retired 31 May 2016)

(Appointed 1 June 2016)

Results and dividends

The results for the year are set out on page 6.

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

Auditor

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 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 then 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 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ABERCORN SCHOOL LIMITED

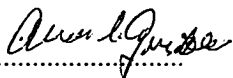
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board



.....
A S Greystoke

Director

18 May 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABERCORN SCHOOL LIMITED

We have audited the financial statements of Abercorn School Limited for the year ended 31 August 2016 set out on pages 6 to 24. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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 financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF ABERCORN SCHOOL 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 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.



Colin Wright (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

22 May 2017

Chartered Accountants
Statutory Auditor

ABERCORN SCHOOL LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 AUGUST 2016**

		2016	2015
	Notes	£	£
Turnover	3	7,379,458	7,121,065
Cost of sales		(4,718,518)	(4,681,090)
		<hr/>	<hr/>
Gross profit		2,660,940	2,439,975
Administrative expenses		(2,417,842)	(2,382,035)
		<hr/>	<hr/>
Operating profit	4	243,098	57,940
Interest receivable and similar income	7	11,188	13,645
Interest payable and similar charges	8	(34,665)	(19,855)
		<hr/>	<hr/>
Profit before taxation		219,621	51,730
Taxation	9	(93,299)	(77,873)
		<hr/>	<hr/>
Profit/(loss) for the financial year		<u>126,322</u>	<u>(26,143)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ABERCORN SCHOOL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2016**

	2016	2015
	£	£
Profit/(loss) for the year	126,322	(26,143)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>126,322</u>	<u>(26,143)</u>


ABERCORN SCHOOL LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	11		196,194		237,725
Current assets					
Debtors	13	7,270,347		7,735,635	
Cash at bank and in hand		147,944		1,010	
		<u>7,418,291</u>		<u>7,736,645</u>	
Creditors: amounts falling due within one year	14	<u>(4,061,843)</u>		<u>(4,579,047)</u>	
Net current assets			3,356,448		3,157,598
Total assets less current liabilities			<u>3,552,642</u>		<u>3,395,323</u>
Creditors: amounts falling due after more than one year	15		(1,674,313)		(1,678,631)
Provisions for liabilities	18		(35,315)		-
Net assets			<u>1,843,014</u>		<u>1,716,692</u>
Capital and reserves					
Called up share capital	21		593,204		593,204
Share premium account			27,242		27,242
Profit and loss reserves			<u>1,222,568</u>		<u>1,096,246</u>
Total equity			<u>1,843,014</u>		<u>1,716,692</u>

The financial statements were approved by the board of directors and authorised for issue on 18 May 2017 and are signed on its behalf by:



A S Greystoke
Director

Company Registration No. 03013551

ABERCORN SCHOOL LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2016**

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 September 2014	593,204	27,242	1,122,389	1,742,835
Year ended 31 August 2015:				
Loss and total comprehensive income for the year	-	-	(26,143)	(26,143)
Balance at 31 August 2015	593,204	27,242	1,096,246	1,716,692
Year ended 31 August 2016:				
Profit and total comprehensive income for the year	-	-	126,322	126,322
Balance at 31 August 2016	593,204	27,242	1,222,568	1,843,014

ABERCORN SCHOOL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	26	714,259		1,411,323	
Interest paid		(34,665)		(19,855)	
Income taxes paid		(77,873)		(38,118)	
Net cash inflow from operating activities		<u>601,721</u>		<u>1,353,350</u>	
Investing activities					
Purchase of tangible fixed assets		(37,273)		(158,529)	
Interest received		11,188		13,645	
Net cash used in investing activities		<u>(26,085)</u>		<u>(144,884)</u>	
Financing activities					
Repayment of borrowings		-		(1,563,965)	
Payment of finance leases obligations		(43,712)		84,251	
Net cash used in financing activities		<u>(43,712)</u>		<u>(1,479,714)</u>	
Net increase/(decrease) in cash and cash equivalents		<u>531,924</u>		<u>(271,248)</u>	
Cash and cash equivalents at beginning of year		(631,456)		(360,208)	
Cash and cash equivalents at end of year		<u><u>(99,532)</u></u>		<u><u>(631,456)</u></u>	
Relating to:					
Cash at bank and in hand		147,944		1,010	
Bank overdrafts included in creditors payable within one year		<u><u>(247,476)</u></u>		<u><u>(632,466)</u></u>	

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Company information

Abercorn School Limited is a private company limited by shares incorporated in England and Wales. The registered office is 42-50 Hersham Road, Walton-on-Thames, Surrey, United Kingdom, KT12 1RZ.

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.

These financial statements for the year ended 31 August 2016 are the first financial statements of Abercorn School Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover 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 represents amounts receivable for tuition services provided during the year.

1.4 Tangible fixed assets

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

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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

Fixtures, fittings & equipment	20% straight line basis
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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.

1.6 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.

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.7 Financial instruments

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

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

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

Basic financial assets

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

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

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

1.9 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 profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.10 Employee benefits

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

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

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

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.11 Retirement benefits

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the school is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The school has therefore taken advantage of the exemption in Financial Reporting Standard FRS 102 and treated the TPS as a defined contribution scheme. The pension costs for the scheme represents contributions paid by the School for the period.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

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

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

ABERCORN SCHOOL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 AUGUST 2016**3 Turnover and other revenue**

An analysis of the company's turnover is as follows:

	2016	2015
	£	£
Turnover		
Fees	7,379,458	7,121,065
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	11,188	13,645
	<u> </u>	<u> </u>

Turnover analysed by geographical market

	2016	2015
	£	£
United Kingdom	7,379,458	7,121,065
	<u> </u>	<u> </u>

4 Operating profit

	2016	2015
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(25,317)	(260,179)
Fees payable to the company's auditor for the audit of the company's financial statements	39,028	31,921
Depreciation of owned tangible fixed assets	78,805	72,643
Operating lease charges	12,471	26,161
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was 107 (2015 - 103)

	2016	2015
	Number	Number
Education	85	79
Domestic and maintenance	5	6
Administration	17	18
	<u> </u>	<u> </u>
	107	103
	<u> </u>	<u> </u>

ABERCORN SCHOOL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016****5 Employees (Continued)**

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	3,435,741	3,291,990
Social security costs	369,544	319,981
Pension costs	343,087	289,180
	<u>4,148,372</u>	<u>3,901,151</u>

6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	193,077	186,097
Company pension contributions to defined contribution schemes	65,344	63,360
	<u>258,421</u>	<u>249,457</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2015 - 2).

7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	581	95
Other interest income	10,607	13,550
	<u>11,188</u>	<u>13,645</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>581</u>	<u>95</u>
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ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Interest payable and similar charges

	2016	2015
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	22,617	6,855
Interest on finance leases and hire purchase contracts	12,048	13,000
	<u>34,665</u>	<u>19,855</u>

9 Taxation

	2016	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	57,984	77,873
	<u>57,984</u>	<u>77,873</u>
Deferred tax		
Origination and reversal of timing differences	35,315	-
	<u>35,315</u>	<u>-</u>
Total tax charge	<u>93,299</u>	<u>77,873</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016	2015
	£	£
Profit before taxation	219,621	51,730
	<u>219,621</u>	<u>51,730</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.58%)	43,924	10,646
Tax effect of expenses that are not deductible in determining taxable profit	5,754	7,609
Permanent capital allowances in excess of depreciation	8,306	(17,677)
Deferred tax adjustments in respect of prior years	35,315	-
Group loan write off	-	72,290
Other tax adjustments	-	5,005
	<u>93,299</u>	<u>77,873</u>
Taxation charge for the year	<u>93,299</u>	<u>77,873</u>

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

10 Intangible fixed assets

	Goodwill £
Cost	
At 1 September 2015 and 31 August 2016	330,521
Amortisation and impairment	
At 1 September 2015 and 31 August 2016	330,521
Carrying amount	
At 31 August 2016	-
At 31 August 2015	-

11 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 September 2015	1,006,023
Additions	37,273
At 31 August 2016	1,043,296
Depreciation and impairment	
At 1 September 2015	768,297
Depreciation charged in the year	78,805
At 31 August 2016	847,102
Carrying amount	
At 31 August 2016	196,194
At 31 August 2015	237,725

12 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	7,208,872	7,658,758
Carrying amount of financial liabilities		
Measured at amortised cost	5,678,172	6,179,805

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

(Continued)

12 Financial instruments

13 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	1,216,008	1,302,421
Amount due from parent undertaking	4,177,039	3,538,913
Amounts due from fellow group undertakings	1,681,693	2,812,124
Amounts due from related parties	129,132	-
Other debtors	5,000	5,300
Prepayments and accrued income	61,475	76,877
	<u>7,270,347</u>	<u>7,735,635</u>

14 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	16	247,476	632,466
Obligations under finance leases	17	51,013	43,712
Trade creditors		25,960	33,334
Amounts due to group undertakings		-	181,571
Corporation tax		57,984	77,873
Other creditors		1,140,465	1,134,707
Accruals and deferred income		2,538,945	2,475,384
		<u>4,061,843</u>	<u>4,579,047</u>

The bank loan and overdraft is secured over the assets of Abercorn School Limited and the assets of Abercorn Education Limited, a fellow subsidiary of Sea Cloud 1 Limited.

Included within other creditors are fees paid in advance for the next school year of £2,179,015 (2015: £2,175,362) and deposits held that will fall due within one year of £1,103,707 (2015: £1,095,249). As in the prior year, invoices were raised in advance of the Autumn Term and any fees received in advance have been paid against the invoice raised in trade debtors.

ABERCORN SCHOOL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 AUGUST 2016**15 Creditors: amounts falling due after more than one year**

	Notes	2016 £	2015 £
Obligations under finance leases	17	44,544	95,557
Other creditors		1,629,769	1,583,074
		<u>1,674,313</u>	<u>1,678,631</u>

Within other creditors are deposits held that will fall due after one year of £1,629,018 (2015: 1,582,324).

16 Loans and overdrafts

	2016 £	2015 £
Bank overdrafts	<u>247,476</u>	<u>632,466</u>
Payable within one year	<u>247,476</u>	<u>632,466</u>

The bank overdraft is secured over the assets of Abercorn School Limited and the assets of Abercorn Education Limited.

17 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	51,013	43,712
In two to five years	44,544	95,557
	<u>95,557</u>	<u>139,269</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

18 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	19	35,315	-
		<u>35,315</u>	<u>-</u>

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	<u>35,315</u>	<u>-</u>
Movements in the year:		2016 £
Liability at 1 September 2015		-
Charge to profit or loss		35,315
Liability at 31 August 2016		<u>35,315</u>

20 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>343,087</u>	<u>289,180</u>

ABERCORN SCHOOL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 AUGUST 2016**21 Share capital**

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
2,372,516 Ordinary shares of 25p each	593,129	593,129
100 Founder shares of 75p each	75	75
	<u>593,204</u>	<u>593,204</u>

22 Financial commitments, guarantees and contingent liabilities

The company has given a cross guarantee in respect of the bank borrowings of Abercorn Education Limited, a wholly owned subsidiary of Sea Cloud 1 Limited. At 31 August 2016, these borrowings amounted to £5,800,000 (2015: £5,219,976).

23 Operating lease commitments**Lessee**

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

	2016	2015
	£	£
Within one year	9,821	9,821
Between two and five years	-	9,821
	<u>9,821</u>	<u>19,642</u>

24 Related party transactions**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	2016	2015
	£	£
Aggregate compensation	<u>258,421</u>	<u>249,457</u>

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

24 Related party transactions

(Continued)

The company has taken advantage of the exemption available in FRS 102 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

At the balance sheet date the company was owed £40,436 (2015: £nil) from British International School of Texas Inc., £62,229 (2015: £nil) from British International School of New York and Astroline Limited £26,467 (2015: £nil), the companies are controlled by A S Greystoke.

25 Controlling party

At the year end the company's ultimate parent company is Sea Cloud 1 Limited, a company incorporated in Great Britain and registered in England and Wales on 7 April 2016.

26 Cash generated from operations

	2016 £	2015 £
Profit/(loss) for the year after tax	126,322	(26,143)
Adjustments for:		
Taxation charged	93,299	77,873
Finance costs	34,665	19,855
Investment income	(11,188)	(13,645)
Depreciation and impairment of tangible fixed assets	78,805	72,643
Movements in working capital:		
Decrease/(increase) in debtors	465,288	(348,334)
(Decrease)/increase in creditors	(72,932)	1,629,074
Cash generated from operations	<u>714,259</u>	<u>1,411,323</u>