

**Company Registration No. 03013551 (England and Wales)**

**ABERCORN SCHOOL LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

**COMPANIES HOUSE COPY**



# **ABERCORN SCHOOL LIMITED**

## **COMPANY INFORMATION**

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

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# **ABERCORN SCHOOL LIMITED**

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# **ABERCORN SCHOOL LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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The directors present the strategic report for the year ended 31 August 2017.

### **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 371 (2016: 385), the downward movement reflecting the 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.

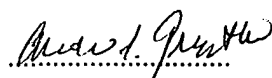
### **Principal risks and uncertainties**

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 2017 the company increased its profits after tax to £262,366 (2016: £126,322).

On behalf of the board



A S Greystoke

Director

12/12/2017

# **ABERCORN SCHOOL LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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The directors present their annual report and financial statements for the year ended 31 August 2017.

#### **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

(Appointed 29 September 2016)

S P Redrupp

D W Morse

A M F Snell

#### **Results and dividends**

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

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)**

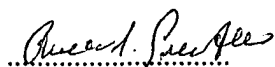
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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**

Date: 12 Dec 2017

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF ABERCORN SCHOOL LIMITED**

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**Opinion**

We have audited the financial statements of Abercorn School Limited (the 'company') for the year ended 31 August 2017 set out on pages 7 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.



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

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**Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

21/12/2017

**Chartered Accountants**  
**Statutory Auditor**

**ABERCORN SCHOOL LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 AUGUST 2017**

		<b>2017</b>	<b>2016</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	7,483,608	7,379,458
Cost of sales		(4,615,771)	(4,718,518)
<b>Gross profit</b>		<u>2,867,837</u>	<u>2,660,940</u>
Administrative expenses		(2,521,760)	(2,417,842)
<b>Operating profit</b>	<b>4</b>	<u>346,077</u>	<u>243,098</u>
Interest receivable and similar income	<b>7</b>	4,280	11,188
Interest payable and similar expenses	<b>8</b>	(14,925)	(34,665)
<b>Profit before taxation</b>		<u>335,432</u>	<u>219,621</u>
Tax on profit	<b>9</b>	(73,066)	(93,299)
<b>Profit for the financial year</b>		<u><u>262,366</u></u>	<u><u>126,322</u></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 2017**

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	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	262,366	126,322
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>262,366</u>	<u>126,322</u>


# ABERCORN SCHOOL LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	11		162,056		196,194
<b>Current assets</b>					
Debtors	12	7,844,141		7,270,347	
Cash at bank and in hand		30,876		147,944	
		<u>7,875,017</u>		<u>7,418,291</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(4,410,168)</u>		<u>(4,061,843)</u>	
<b>Net current assets</b>			3,464,849		3,356,448
<b>Total assets less current liabilities</b>			3,626,905		3,552,642
<b>Creditors: amounts falling due after more than one year</b>	14		(1,492,134)		(1,674,313)
<b>Provisions for liabilities</b>	17		(29,391)		(35,315)
<b>Net assets</b>			<u>2,105,380</u>		<u>1,843,014</u>
<b>Capital and reserves</b>					
Called up share capital	20		593,204		593,204
Share premium account			27,242		27,242
Profit and loss reserves			1,484,934		1,222,568
<b>Total equity</b>			<u>2,105,380</u>		<u>1,843,014</u>

The financial statements were approved by the board of directors and authorised for issue on 12 Dec 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 2017**

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	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 September 2015</b>	593,204	27,242	1,096,246	1,716,692
<b>Year ended 31 August 2016:</b>				
Profit and total comprehensive income for the year	-	-	126,322	126,322
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 August 2016</b>	593,204	27,242	1,222,568	1,843,014
<b>Year ended 31 August 2017:</b>				
Profit and total comprehensive income for the year	-	-	262,366	262,366
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 August 2017</b>	<u>593,204</u>	<u>27,242</u>	<u>1,484,934</u>	<u>2,105,380</u>

# **ABERCORN SCHOOL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **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.

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

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of its parent company, Sea Cloud 1 Limited. Those consolidated financial statements are available from Companies House.

##### **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.

## **ABERCORN SCHOOL LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **1 Accounting policies**

**(Continued)**

##### **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.

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.

## ABERCORN SCHOOL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 1 Accounting policies

(Continued)

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 at bank and in hand

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

##### 1.7 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.

##### *Other financial assets*

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.



# **ABERCORN SCHOOL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **1 Accounting policies**

**(Continued)**

##### ***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.

##### ***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.

# ABERCORN SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 1 Accounting policies

(Continued)

#### *Other financial liabilities*

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### *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.

# **ABERCORN SCHOOL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **1 Accounting policies**

**(Continued)**

##### ***Deferred tax***

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

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

##### **1.10 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.

##### **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.

# ABERCORN SCHOOL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

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.

### 3 Turnover and other revenue

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

	2017 £	2016 £
<b>Turnover analysed by class of business</b>		
Fees	7,483,608	7,379,458
	<u>          </u>	<u>          </u>
	2017 £	2016 £
<b>Other significant revenue</b>		
Interest income	4,280	11,188
	<u>          </u>	<u>          </u>
	2017 £	2016 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	7,483,608	7,379,458
	<u>          </u>	<u>          </u>

**ABERCORN SCHOOL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2017****4 Operating profit**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(3,916)	(25,317)
Fees payable to the company's auditor for the audit of the company's financial statements	24,686	39,028
Depreciation of owned tangible fixed assets	74,438	40,872
Depreciation of tangible fixed assets held under finance leases	10,119	37,933
Operating lease charges	(7,478)	12,471

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £3,916 (2016 - £25,317).

**5 Employees**

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

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
Education	81	85
Domestic and maintenance	5	5
Administration	16	17
	<u>102</u>	<u>107</u>

Their aggregate remuneration comprised:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,398,915	3,391,699
Social security costs	364,299	413,586
Pension costs	316,573	343,087
	<u>4,079,787</u>	<u>4,148,372</u>

**ABERCORN SCHOOL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2017****6 Directors' remuneration**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	131,760	149,035
Company pension contributions to defined contribution schemes	34,121	65,344
	<u>165,881</u>	<u>214,379</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2016 - 2).

**7 Interest receivable and similar income**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	316	581
Other interest income	3,964	10,607
	<u>4,280</u>	<u>11,188</u>

**8 Interest payable and similar expenses**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Interest on bank overdrafts and loans	12,799	22,617
Interest on finance leases and hire purchase contracts	2,126	12,048
	<u>14,925</u>	<u>34,665</u>

**9 Taxation**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	78,990	57,984
	<u>78,990</u>	<u>57,984</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(5,924)	35,315
	<u>(5,924)</u>	<u>35,315</u>
<b>Total tax charge</b>	<u>73,066</u>	<u>93,299</u>

**ABERCORN SCHOOL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2017****9 Taxation****(Continued)**

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:

	2017 £	2016 £
Profit before taxation	335,432	219,621
Expected tax charge based on the standard rate of corporation tax in the UK of 19.58% (2016: 20.00%)	65,678	43,924
Tax effect of expenses that are not deductible in determining taxable profit	8,747	5,754
Effect of change in corporation tax rate	(1,359)	-
Permanent capital allowances in excess of depreciation	-	8,306
Deferred tax adjustments in respect of prior years	-	35,315
Taxation charge for the year	73,066	93,299

**10 Intangible fixed assets**

	Goodwill £
<b>Cost</b>	
At 1 September 2016 and 31 August 2017	330,521
<b>Amortisation and impairment</b>	
At 1 September 2016 and 31 August 2017	330,521
<b>Carrying amount</b>	
At 31 August 2017	-
At 31 August 2016	-

**ABERCORN SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

**11 Tangible fixed assets**

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 September 2016	1,043,296
Additions	61,253
Disposals	(27,482)
	<u>1,077,067</u>
At 31 August 2017	<u>1,077,067</u>
<b>Depreciation and impairment</b>	
At 1 September 2016	847,102
Depreciation charged in the year	84,557
Eliminated in respect of disposals	(16,648)
	<u>915,011</u>
At 31 August 2017	<u>915,011</u>
<b>Carrying amount</b>	
At 31 August 2017	<u>162,056</u>
At 31 August 2016	<u>196,194</u>

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Fixtures, fittings & equipment	<u>14,919</u>	<u>107,422</u>
Depreciation charge for the year in respect of leased assets	<u>10,119</u>	<u>37,933</u>



**ABERCORN SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

**12 Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	1,218,367	1,216,008
Amount due from parent undertaking	4,508,661	4,177,039
Amounts due from fellow group undertakings	1,686,985	1,681,693
Amounts due from related parties	333,138	129,132
Other debtors	5,715	5,000
Prepayments and accrued income	91,275	61,475
	<u>7,844,141</u>	<u>7,270,347</u>

**13 Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
	<b>Notes</b>	
Bank loans and overdrafts	<b>15</b>	428,647
Obligations under finance leases	<b>16</b>	7,473
Trade creditors		29,664
Amounts due to related parties		177,907
Corporation tax		78,990
Other creditors		1,233,168
Accruals and deferred income		2,454,319
		<u>4,410,168</u>
		<u>4,061,843</u>

**14 Creditors: amounts falling due after more than one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
	<b>Notes</b>	
Obligations under finance leases	<b>16</b>	11,887
Other creditors		1,480,247
		<u>1,492,134</u>
		<u>1,674,313</u>

Within other creditors are deposits held that will fall due after one year of £1,471,374 (2016: 1,629,018).

**ABERCORN SCHOOL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2017****15 Loans and overdrafts**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank overdrafts	428,647	247,476
	<u>          </u>	<u>          </u>
Payable within one year	428,647	247,476
	<u>          </u>	<u>          </u>

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

**16 Finance lease obligations**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Future minimum lease payments due under finance leases:		
Within one year	7,473	51,013
In two to five years	11,887	44,544
	<u>          </u>	<u>          </u>
	19,360	95,557
	<u>          </u>	<u>          </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.

**17 Provisions for liabilities**

		<b>2017</b>	<b>2016</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Deferred tax liabilities	<b>18</b>	29,391	35,315
		<u>          </u>	<u>          </u>

**ABERCORN SCHOOL LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2017****18 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:

	<b>Liabilities 2017 £</b>	<b>Liabilities 2016 £</b>
<b>Balances:</b>		
Accelerated capital allowances	29,391	35,315
	<u>29,391</u>	<u>35,315</u>
<b>Movements in the year:</b>		<b>2017 £</b>
Liability at 1 September 2016		35,315
Credit to profit or loss		(5,924)
		<u>29,391</u>
Liability at 31 August 2017		<u>29,391</u>

**19 Retirement benefit schemes**

	<b>2017 £</b>	<b>2016 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	316,573	343,087
	<u>316,573</u>	<u>343,087</u>

**20 Share capital**

	<b>2017 £</b>	<b>2016 £</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
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>

## ABERCORN SCHOOL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 21 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 2017, these borrowings amounted to £5,622,405 (2016: £5,800,000).

#### 22 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:

	2017	2016
	£	£
Within one year	3,578	9,821
Between two and five years	3,578	-
	<u>7,156</u>	<u>9,821</u>

#### 23 Related party transactions

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 £Nil (2016: £40,436) from British International School of Texas Inc. and £333,138 (2016: £62,229) from British International School of New York. Amounts due to Astroline Limited amounted to £177,907 (2016: debtor £26,467). These companies are controlled by A S Greystoke.

#### 24 Controlling party

The parent company of Abercorn School Limited is Sea Cloud 1 Limited, a company registered in England and Wales. Sea Cloud 1 Limited is the largest company for which consolidated group financial statements are prepared. Group financial statements and copies are available from Companies House.

The company's ultimate controlling party is A S Greystoke.