

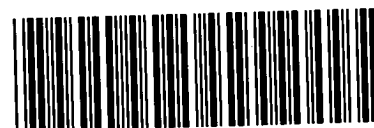
Company Registration No. 03930321 (England and Wales)

ABERCORN EDUCATION LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

COMPANIES HOUSE COPY



ABERCORN EDUCATION LTD

COMPANY INFORMATION

Directors	A S Greystoke J D Clarke S P Redrupp A M F Snell D W Morse	(Appointed 29 September 2016)
Secretary	Connaught Secretaries Limited	
Company number	03930321	
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 EDUCATION LTD

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 5
Profit and loss account	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9 - 14

ABERCORN EDUCATION LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

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

Principal activities

The principal activity of the company in the year is the renting of a school to a fellow subsidiary, Abercorn School Limited.

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 D Clarke

(Appointed 29 September 2016)

S P Redrupp

A M F Snell

D W Morse

Auditor

UHY Hacker Young were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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.

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.

ABERCORN EDUCATION LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



A S Greystoke

Director

Date: *12 Dec 2017*

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ABERCORN EDUCATION LTD**

Opinion

We have audited the financial statements of Abercorn Education Ltd (the 'company') for the year ended 31 August 2017 set out on pages 6 to 14. 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 EDUCATION LTD

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

Matters on which we are required to report by exception

In the light of 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF ABERCORN EDUCATION LTD

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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.

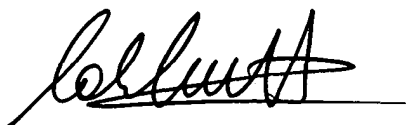
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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

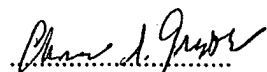
ABERCORN EDUCATION LTD**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	2017 £	2016 £
Turnover		857,500	652,011
Administrative expenses		(522,268)	(207,981)
		<hr/>	<hr/>
Operating profit		335,232	444,030
Interest payable and similar expenses		(161,547)	(177,402)
		<hr/>	<hr/>
Profit before taxation		173,685	266,628
Tax on profit		(34,732)	(56,678)
		<hr/>	<hr/>
Profit for the financial year		<u>138,953</u>	<u>209,950</u>

ABERCORN EDUCATION LTD**BALANCE SHEET****AS AT 31 AUGUST 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3	15,518,525		15,540,076	
Current assets					
Debtors	4	3,362,474		3,374,143	
Cash at bank and in hand		44,251		44,359	
		<u>3,406,725</u>		<u>3,418,502</u>	
Creditors: amounts falling due within one year	5	<u>(1,911,409)</u>		<u>(1,908,706)</u>	
Net current assets			1,495,316		1,509,796
Total assets less current liabilities			<u>17,013,841</u>		<u>17,049,872</u>
Creditors: amounts falling due after more than one year	6		(5,458,341)		(5,640,985)
Provisions for liabilities	7		(1,674,000)		(1,835,915)
Net assets			<u>9,881,500</u>		<u>9,572,972</u>
Capital and reserves					
Called up share capital	8		50,000		50,000
Revaluation reserve			8,502,424		8,332,849
Profit and loss reserves			<u>1,329,076</u>		<u>1,190,123</u>
Total equity			<u>9,881,500</u>		<u>9,572,972</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. 03930321

ABERCORN EDUCATION LTD**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2017**

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 September 2015	50,000	8,332,849	980,173	9,363,022
Year ended 31 August 2016:				
Profit and total comprehensive income for the year	-	-	209,950	209,950
Balance at 31 August 2016	50,000	8,332,849	1,190,123	9,572,972
Year ended 31 August 2017:				
Profit for the year	-	-	138,953	138,953
Other comprehensive income:				
Tax relating to other comprehensive income	-	169,575	-	169,575
Total comprehensive income for the year	-	169,575	138,953	308,528
Balance at 31 August 2017	50,000	8,502,424	1,329,076	9,881,500

ABERCORN EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

Company information

Abercorn Education Ltd 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of rent charged to a fellow subsidiary company.

1.3 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.

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

Freehold property	50 years with a residual value of 75%
Land and buildings Leasehold	25 years

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.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

ABERCORN EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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.

1.5 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.

1.6 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.

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 EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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.

1.7 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.

1.8 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.

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.

ABERCORN EDUCATION LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2017****1 Accounting policies****(Continued)****1.9 Leases**

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.

2 Employees

There were no employees in the year.

3 Tangible fixed assets

	Freehold property	Land and buildings Leasehold	Total
	£	£	£
Cost			
At 1 September 2016 and 31 August 2017	15,500,000	80,592	15,580,592
Depreciation and impairment			
At 1 September 2016	36,400	4,116	40,516
Depreciation charged in the year	18,200	3,351	21,551
At 31 August 2017	54,600	7,467	62,067
Carrying amount			
At 31 August 2017	15,445,400	73,125	15,518,525
At 31 August 2016	15,463,600	76,476	15,540,076

The properties held by the Company continue to be held as tangible assets as they do not meet the definition of an investment property. The intended use of the property is to operate as a school not to earn rentals or for long term capital appreciation.

4 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Amounts due from group undertakings	2,312,882	2,312,882
Amounts due from related parties	835,833	835,833
Other debtors	213,759	225,428
	3,362,474	3,374,143

ABERCORN EDUCATION LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2017****5 Creditors: amounts falling due within one year**

	Notes	2017 £	2016 £
Bank loans and overdrafts		164,064	159,015
Amounts due to group undertakings		1,686,985	1,681,693
Corporation tax		27,073	49,925
Accruals and deferred income		33,287	18,073
		<u>1,911,409</u>	<u>1,908,706</u>

6 Creditors: amounts falling due after more than one year

		2017 £	2016 £
Bank loans and overdrafts		<u>5,458,341</u>	<u>5,640,985</u>

During the prior year, the company, drew down a new £5.8m facility with The Royal Bank of Scotland. The loan is secured by a fixed charge over properties held within Abercorn Education Ltd the directors' valuation of these properties amounted to £15m as at 31 August 2017. The interest rate charged on the facility is fixed at 2.84% for the first tranche of £1,934k, 2.86% for the second tranche of £1,933k and 2.83% for the third tranche of £1,933k.

The loan is fully repayable on 22 July 2021.

7 Provisions for liabilities

	2017 £	2016 £
Deferred tax liabilities	<u>1,674,000</u>	<u>1,835,915</u>

8 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
50,000 Ordinary Shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

ABERCORN EDUCATION LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Related party transactions

At the balance sheet date the company was owed £835,833 (2016: £835,833) from Astroline Limited, a company controlled by A S Greystoke.

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.

10 Parent company

The parent company of Abercorn Education Ltd 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.