

REGISTERED COMPANY NUMBER 06223076 (England and Wales)  
REGISTERED CHARITY NUMBER: 1122269

**REPORT OF THE TRUSTEES AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 AUGUST 2012**  
**FOR**  
**BRECKENBROUGH SCHOOL LIMITED**



Hardcastle France  
Chartered Accountants and Statutory Auditors  
30 Yorkersgate  
Malton  
North Yorkshire  
YO17 7AW

**BRECKENBROUGH SCHOOL LIMITED**  
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**for the Year Ended 31 August 2012**

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**BRECKENBROUGH SCHOOL LIMITED**

**REPORT OF THE TRUSTEES**  
**for the Year Ended 31 August 2012**

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2012. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

06223076 (England and Wales)

**Registered Charity number**

1122269

**Registered office**

Sandhutton

Thirsk

YO7 4EN

**Trustees**

N Evens

Chairman until 31/08/12

D Pointon

- resigned 31 10 11

G Ralph

M Casey

K McLelland

G Storer

D Peryer

Chairman from

01/09/12

A Harding

- appointed 1 1 12

**Auditors**

Hardcastle France

Chartered Accountants and Statutory Auditors

30 Yorkersgate

Malton

North Yorkshire

YO17 7AW

**Solicitors**

Ford & Warren

30 Westgate

Leeds

LS1 2AX

**Bankers**

Barclays Bank plc

25 St James Street

Harrogate

HG1 1ZT

**Insurers**

W Denis Insurance Brokers plc

Brigade House

86 Kirkstall Road

Leeds

LS3 1LQ

## **BRECKENBROUGH SCHOOL LIMITED**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 August 2012**

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Co-opted Members**

C Shaw

A Polwarth - appointed 08 02 12 and resigned 30 05 12

M Prince - appointed 08 02 12

D Pointon - appointed 01 11 11

G Bateman - appointed 30 05 12 - Treasurer from 24 10 12

P Stephenson - appointed 01 09 12

##### **Representative Governors**

B Bateman

G Brookes

G Frew -resigned 08 02 12

B Nicholson -resigned 19 10 11

L Wellington-Graham - appointed 08 02 12

##### **Headmaster**

G Brookes

##### **Appointed by North Yorkshire County Council**

B Bateman

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Legal status**

Breckenbrough School Limited was formed on 23 April 2007 and commenced trading on 1 September 2008. The School is a corporate registered charity (number 1122269). The Company is governed by its Memorandum and Articles of Association, as amended by special resolutions dated 21 November 2007 and 1 October 2008.

##### **Recruitment and appointment of new Trustees**

Possible new Board members are approached informally, given information about the work of the Board, meet the Chairman and Head Teacher to discuss their involvement, tour the school and in some instances attend Board or Committee meetings to learn about the business. Where appropriate, and after informal soundings, Quakers in Yorkshire may appoint Trustee Governors and the Board itself appoints Co-opted Governors. In the year reported on, no Parent Governor has been put forward but the Board has co-opted two parents to be Governors.

Most appointments to the Board are for a period of four years, and there is an option to appoint for a second period. Our practice is to issue newcomers with information regarding the charity's policies, constitution, meeting procedures, and an indication of their possible duties. Following appointment to the Board new Governors receive some induction. During the year the Board arranged a couple of training sessions aimed at improving governors' knowledge of the school and understanding of their roles. Where needed (e.g. in relation to Child Protection) specific information and/or training sessions are 'bought in' or attended outside school. The slightly lower Board membership during the previous period was rectified and we were looking to continue to strengthen the Board further.

## **BRECKENBROUGH SCHOOL LIMITED**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 August 2012**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Organisational structure**

During the period in review the Governing Body included seven Trustees who are members of the Religious Society of Friends (Quakers) and were appointed by 'Quakers in Yorkshire', the body representing the Religious Society of Friends in that county. The Trustees served as Directors of the Company. The conduct of the School was under the direction of the Board in accordance with the purposes, character and ethos of the School as determined by the Trustees. The Board also included five other Governors, co-opted, parent, or representative. In making decisions on all matters, successful efforts were made to achieve unity on the Board after the Quaker manner.

Initially Committees, principally those for Education and Care, Premises, Personnel and Finance, had by the end of the period been functioning for three years, each taking responsibility for the overseeing of policies that fell within its specific remit, and for listening to and encouraging individual staff, mainly those in the school's Leadership Group (Head, Deputy Head, Head of Care and Bursar). Committees had regard to the principal areas of the School's operations and reviewed how the school met its current requirements, how risks were managed and how internal systems could be appraised and where necessary strengthened. Certain Governors took specific responsibilities, for example on Health and Safety and on Child Protection.

The roles of Committees remained broadly as set out above during 2012 year but their number and structure were being changed towards the end of the period covered by this report. It was agreed that from September 2012 there would be two larger Committees, 'Education & Care', and 'Resources'. The latter would take on the remits of Finance, Marketing, Personnel and Premises Committees. Within each of the 2 new Committees individual Governors would take specific responsibilities, for example on Health & Safety, Marketing, Child Protection or ICT. At the end of the period the new arrangements were in hand, and the 2 Committees were ready to start work.

##### **Related parties**

Some members of the governors/trustees also serve on the Board of the Charity known as the Breckenbrough School After Care Committee whose activities include the provision of financial and other assistance to old boys of Breckenbrough School, directly or otherwise.

During the year the charity paid £3,820 (2011 £3,244) for Trustee Indemnity Insurance.

##### **Risk management**

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Governors are examining the principal areas of the School's operations and the major risks faced in each area. Internal systems continue to be appraised and strengthened and risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

Most of the existing policy documents have been reviewed, including Child Protection, Outdoor Education, Health and Safety and Emergency Procedures and the requirements set by Ofsted.

A programme of regular reports to the Board has been instituted covering policy documents and risk assessments on all major aspect of the School's operations.

The Trustees have reviewed the major risks and systems and procedures have been established to mitigate those risks.

##### **Investment powers and restrictions**

The Trust Deed does not make specific reference and therefore the Governors' policy is to invest where necessary in funds and investments approved by the Charity Commissioners.

## **BRECKENBROUGH SCHOOL LIMITED**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 August 2012**

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The school continues to cater for boys from 9 to 19 years of age. Each has a Statement of Special Educational Needs created by his funding Local Authority that identifies him as having at least average academic potential, and emotional and behavioural difficulties. Authorities from many parts of the UK place pupils at Breckenbrough. The School had an average number of 45 boys on roll during the year.

Pupils display a range of special needs. Some have learning difficulties associated with autism and may have been diagnosed as experiencing an Autistic Spectrum Disorder, including in particular Asperger's Syndrome. Some have Attention Deficit Disorder, some a more complex version, that of Attention Deficit with Hyperactivity Disorder. Others are designated less specifically as showing Emotional and Behavioural Difficulties.

The mix of pupils and difficulties covers a wide range of behaviours and learning problems but most boys are able, each at his own rate, to develop friendships and make good working and learning relationships. Staff are skilled in encouraging such development and work hard to promote it, showing great sensitivity towards boys whose development is slower or more hesitant. The school uses small classes regularly and one-to-one tuition when needed so that adequate attention is given to specific individual needs. There is an appropriate emphasis on outdoor activities as these can support the practical and social aspects of learning, complementing the more abstract side which some lads find harder.

The school continued to provide education to GCSE and A level. It also gives good attention to the boys' physical, mental and spiritual welfare and helps pupils develop relationships with peers and adults. The After-Care provision (rarely found elsewhere) continued its practical assistance to old scholars as well as help with career guidance and further development of life skills.

##### **How we benefit the public**

We believe that the points made in the preceding three paragraphs outline how we contribute to the public good. We review our aspirations and objectives along with the outcomes of the immense amounts of work done by staff. Governors focus on the overall objectives. In individual cases, staff adapt education and care plans for boys so that the school always responds as appropriately as it can to a boy's specific needs. The care with which this is done helps each boy to improve on his own "previous best" performances in a range of subjects and social skills and to learn to take ever more responsibility for his own learning and development. The boys' achievements are part of the benefit to the public, in that we help to create and develop mature citizens. This continues.

The Trustees have had due regard to guidance published by the Charities Commission on public benefit.

#### **ACHIEVEMENT AND PERFORMANCE**

The school has a long record of successfully changing the lives and behaviour of its scholars. Before coming to the school, a boy will frequently have been the cause of deep concern to parents and educators alike, and in numerous cases has been a "hard to place" student. Parents frequently tell us of the change in attitude displayed by their son after arriving at Breckenbrough, within months or even weeks. This kind of dramatic change in attitude continued during the period.

The Ofsted report of July 2009 had encouraged us to go on improving, with informal comments about the potential perceived within the school. In February this year we welcomed Ofsted back for an inspection that covered education, care and administration. We are pleased to report that this time we were given a rating of 'Good with Outstanding features'. It is especially encouraging because between the two inspections standards were raised, thus making it harder to achieve the rating "Good". Great thanks are due to the Head and senior management and staff who made this possible. However, as last year, we are not complacent. We aspire to a rating of 'Outstanding'. More remains to be done.

#### **FINANCIAL REVIEW**

Finance is always a major concern of the Board. Financial performance is monitored and assessed carefully. Our income is almost entirely dependent on the number of pupils on roll. There was in the year a grant from the DCFS of £97,977, but in budgeting we do not assume its continuation. We set aside as far as we could a quantity of 'liquid reserve' funds, but the scale of that was again affected during the year by the need to make emergency expenditure on repairs to buildings, which are old and not invariably fit for purpose. Our policy is to invest when we can in funds and investments on a basis approved by the Charity Commissioners.

## **BRECKENBROUGH SCHOOL LIMITED**

### **REPORT OF THE TRUSTEES** **for the Year Ended 31 August 2012**

#### **FINANCIAL REVIEW**

We focussed more on strategic planning. The number of boys starting at and leaving the school each year varies. Our plan continued to be to seek to increase the number of students to about 55 and we have moved further towards that figure. However, long-term budgeting remains a challenging exercise. The Marketing Officer continues to ensure that local authorities, and potential parents and their support groups, are kept well aware of our existence and of the benefits we offer.

We continued to resist requests from LAs to reduce our fees, pointing out to them that our skill in not making annual fee increases had in effect afforded them "de facto savings" over the period. We remain keen to give Local Authorities value for their money. This meant - and will mean - sticking to practices that we know work for our boys and thereby benefit their sending Authorities. Thus, high staff to pupil ratios continue to be needed for our successful work.

During the period we continued to work towards increasing the accommodation needed for more boys and successfully adapted the Head's House for sixth form student accommodation. Work on this is now done and the occupation of the building releases other space for adaptation. We have continued work on improving The Lodge to make it into a modern and flexible accommodation for our Caretaker. Further work during the holiday period this summer has brought this project close to completion. The constraints mentioned above explain why our projects may seem small-scale to some readers. We do not abjure larger fund-raising schemes and will consider these as and when school staffing and the availability of suitably skilled governors make the commitments to major fund-raising realistic for us.

#### **Land and buildings**

The Governors are of the opinion that the open market value of the land and buildings is materially in excess of book value.

#### **Reserves policy**

The Board aims to have sufficient reserves to cover six months' running costs of the school but acknowledges that this is not achievable at the present time and will therefore take some years to achieve.

#### **FUNDS HELD AS CUSTODIAN FOR OTHERS**

The company is the Custodian Trustee of the Breckenbrough School Charitable Trust and also the sole Trustee entrusted to manage the affairs of that charitable Trust which includes the permanent endowment property and investments as indicated in note 12 of these financial statements. The Company has included the freehold land and buildings and investments subject to permanent endowment within its balance sheet.

**BRECKENBROUGH SCHOOL LIMITED**

**REPORT OF THE TRUSTEES**  
**for the Year Ended 31 August 2012**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Breckenbrough School Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charity SORP,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

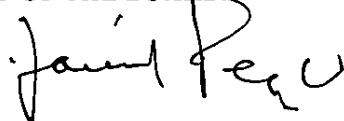
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

**ON BEHALF OF THE BOARD**



D Peryer - Trustee

22 May 2013



**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF  
BRECKENBROUGH SCHOOL LIMITED**

We have audited the financial statements of Breckenbrough School Limited for the year ended 31 August 2012 on pages nine to twenty four. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page six, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

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**

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

**Opinion on financial statements**

In our opinion the financial statements

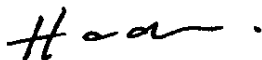
- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF**  
**BRECKENBROUGH 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 Charities Act 2011 requires us to report to you if, in our opinion

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements , or
- the charitable company has not kept adequate accounting records, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit



Hardcastle France  
Chartered Accountants and Statutory Auditors  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
30 Yorkersgate  
Malton  
North Yorkshire  
YO17 7AW

22 May 2013

**BRECKENBROUGH SCHOOL LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**for the Year Ended 31 August 2012**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2012 Total funds £	2011 Total funds £
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds</b>						
Voluntary income	2	101,626	19,711	-	121,337	187,083
Investment income	3	744	10	-	754	865
<b>Incoming resources from charitable activities</b>						
School	4	2,665,514	-	-	2,665,514	2,295,551
Other incoming resources		8,475	-	-	8,475	2,565
<b>Total incoming resources</b>		<b>2,776,359</b>	<b>19,721</b>	<b>-</b>	<b>2,796,080</b>	<b>2,486,064</b>
<b>RESOURCES EXPENDED</b>						
<b>Costs of generating funds</b>						
Costs of generating voluntary income	5	10,591	-	-	10,591	7,306
<b>Charitable activities</b>						
School	6	2,061,378	44,697	-	2,106,075	1,787,121
Welfare		179,126	-	-	179,126	263,034
Premises		273,333	-	-	273,333	243,711
Governance costs	8	25,952	-	-	25,952	17,488
<b>Total resources expended</b>		<b>2,550,380</b>	<b>44,697</b>	<b>-</b>	<b>2,595,077</b>	<b>2,318,660</b>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>						
		225,979	(24,976)	-	201,003	167,404
Gross transfers between funds	19	(2,425)	-	2,425	-	-
<b>Net incoming/(outgoing) resources</b>		<b>223,554</b>	<b>(24,976)</b>	<b>2,425</b>	<b>201,003</b>	<b>167,404</b>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<b>792,035</b>	<b>113,856</b>	<b>123,379</b>	<b>1,029,270</b>	<b>861,866</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,015,589</b>	<b>88,880</b>	<b>125,804</b>	<b>1,230,273</b>	<b>1,029,270</b>

The notes form part of these financial statements

**BRECKENBROUGH SCHOOL LIMITED****BALANCE SHEET**  
**At 31 August 2012**

	Notes	2012 £	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	12	902,577	705,674
Investments	13	41,243	38,800
		<hr/>	<hr/>
		943,820	744,474
 <b>CURRENT ASSETS</b>			
Stocks		-	1,739
Debtors	14	761,294	496,230
Cash at bank and in hand		628,808	617,945
		<hr/>	<hr/>
		1,390,102	1,115,914
 <b>CREDITORS</b>			
Amounts falling due within one year	15	(1,103,649)	(831,118)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		286,453	284,796
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,230,273	1,029,270
		<hr/>	<hr/>
<b>NET ASSETS</b>		1,230,273	1,029,270
		<hr/>	<hr/>
 <b>FUNDS</b>	19		
Unrestricted funds		1,015,589	792,035
Restricted funds		88,880	113,856
Endowment funds		125,804	123,379
		<hr/>	<hr/>
<b>TOTAL FUNDS</b>		1,230,273	1,029,270
		<hr/>	<hr/>

The notes form part of these financial statements

**BRECKENBROUGH SCHOOL LIMITED**

**BALANCE SHEET - CONTINUED**

**At 31 August 2012**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2012

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company

These financial statements have been audited under the requirements of Section 144 of the Charities Act 2011

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Trustees on 22 May 2013 and were signed on its behalf by

A handwritten signature in black ink, appearing to read 'D Peryer', is written over the line for the trustee's signature.

D Peryer -Trustee

The notes form part of these financial statements

## **BRECKENBROUGH SCHOOL LIMITED**

### **Notes to the Financial Statements** **for the Year Ended 31 August 2012**

#### **1. ACCOUNTING POLICIES**

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

##### **Incoming resources**

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

All incoming resources are stated gross within the Statement of Financial Activities

Fees receivable consists of charges levied for the provision of services for the year to 31 August in accordance with the Trust Deed

Grants are recognised in the Statement of Financial Activities when they are receivable. Where the donor has imposed restrictions then the grant is treated as a restricted fund. Grants that relate to future years are included in deferred income and released to the Statement of Financial Activities in the appropriate year. Grants which are repayable if not utilised within a specific period are deferred until expended.

Incoming resources from endowment funds are restricted income

##### **Resources expended**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is included in the SOFA in the cost of the expenditure incurred.

Costs of generating funds comprise the costs associated with attracting pupils, in order to generate income.

Education and training comprise the costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting with the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, e.g. estimated usage.

**BRECKENBROUGH SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2012**

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Fixed assets are stated at historical cost

No depreciation is provided on freehold land

Depreciation is provided on all other tangible fixed assets at rates calculated to write each assets down to its estimated residual value over its expected useful life, as follows -

Freehold properties	2%	Straight line
Equipment, fixtures and fittings	20%	Reducing balance
Computer equipment	33 3%	Straight line
Motor vehicles	25%	Reducing balance

Leased assets are depreciated on a straight line basis over the period of the lease

Donated assets have been included at estimated cost

**Stocks**

Stocks are valued at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items

**Taxation**

The charity is exempt from corporation tax on its charitable activities

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees

Restricted funds can only be used for particular restricted purposes within the objects of the charity Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

Endowment funds are restricted funds that represent a donation to the Charity with specific criteria that the Charity must follow

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the Balance Sheet Those held under hire purchase contracts are depreciated over their estimated useful lives Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period The capital element of the future payments is treated as a liability

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease

**BRECKENBROUGH SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2012**

**1. ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

The Charity contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS 17, therefore, the scheme is accounted for as a defined contribution scheme.

In respect of non-teaching staff, the school contributes to a defined benefit scheme administered by the Pension Trust. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS 17, therefore, the scheme is accounted for as a defined contribution scheme.

Contributions to both schemes are charged in the SOFA as they become payable in accordance with the rules of the schemes.

In respect of one staff member, contributions are made to a Self Invested pension Plan (SIPP). Contributions are charged to the SOFA as they become payable.

**Teaching costs**

Supplies of games equipment, books, stationery and sundry materials are written off to the general fund account when the expenditure is incurred.

**2. VOLUNTARY INCOME**

	<b>2012</b>	2011
	<b>£</b>	£
Donations	4,275	64,180
Grants	117,062	122,903
	<u>121,337</u>	<u>187,083</u>

**3. INVESTMENT INCOME**

	<b>2012</b>	2011
	<b>£</b>	£
Deposit account interest	754	865
	<u>754</u>	<u>865</u>

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>2012</b>	2011
	<b>School</b>	Total activities
	<b>£</b>	£
Fees	2,638,538	2,251,166
Recharges of wages	26,976	44,385
	<u>2,665,514</u>	<u>2,295,551</u>



**BRECKENBROUGH SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2012**

**5. COSTS OF GENERATING VOLUNTARY INCOME**

	2012	2011
	£	£
Staff costs	5,198	4,310
Advertising	5,393	2,996
	<u>10,591</u>	<u>7,306</u>

**6. CHARITABLE ACTIVITIES COSTS**

	Direct costs	Support costs (See note 7)	Totals
	£	£	£
School	1,761,800	344,275	2,106,075
Welfare	179,126	-	179,126
Premises	273,333	-	273,333
	<u>2,214,259</u>	<u>344,275</u>	<u>2,558,534</u>

**7. SUPPORT COSTS**

	Management	Finance	Information technology	Totals
	£	£	£	£
School	<u>316,862</u>	<u>2,501</u>	<u>24,912</u>	<u>344,275</u>

Support costs, included in the above, are as follows

	2012	2011
	School	Total activities
	£	£
Wages	125,585	101,319
Social security	11,581	7,700
Pensions	7,780	6,657
Hire of plant and machinery	21,687	19,356
Insurance	31,651	30,066
Postage and stationery	13,267	14,690
Travelling and motor	73,971	59,411
Professional fees	31,029	16,001
Interest payable and similar charges	311	808
Bank charges	2,501	2,384
Computer licences and IT	24,912	24,566
	<u>344,275</u>	<u>282,958</u>

**BRECKENBROUGH SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2012**

**8. GOVERNANCE COSTS**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Governors' training & sundries	60	586
Governors' travel expenses	2,788	2,022
Auditors' remuneration	9,000	8,880
Auditors' remuneration for non-audit work	14,104	6,000
	<u>25,952</u>	<u>17,488</u>

**9. NET INCOMING/(OUTGOING) RESOURCES**

Net resources are stated after charging/(crediting)

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	9,000	8,880
Depreciation - owned assets	91,471	68,549
Depreciation - assets on hire purchase contracts and finance leases	3,688	3,688
Hire of plant and machinery	21,687	19,356
Other operating leases	11,516	11,758
Deficit\surplus) on disposal of fixed asset	221	(608)

During the year the charity's expenditure on functional fixed assets was £296,832 (2011 £192,019)

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no Trustees' remuneration or other benefits for the year ended 31 August 2012 nor for the year ended 31 August 2011

**Trustees' expenses**

Travel expenses of £2,788 (2011 £2,022) were reimbursed to six (2011 six) Governors during the year

**BRECKENBROUGH SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2012**

**11. STAFF COSTS**

	<b>2012</b>	2011
	<b>£</b>	£
Wages and salaries	1,592,409	1,461,432
Social security costs	114,508	126,205
Other pension costs	120,892	102,218
	<u>1,827,809</u>	<u>1,689,855</u>

The average monthly number of employees during the year was as follows

	<b>2012</b>	2011
Teaching and counselling	27	28
Domestic	12	12
Care	23	17
Administration	6	6
	<u>68</u>	<u>63</u>

The average monthly number of employees during the year expressed as full time equivalents was as follows -

	<b>2012</b>	2011
Teaching and counselling	27	23
Domestic	9	8
Care	16	14
Administration	<u>6</u>	<u>4</u>
	<u>58</u>	<u>49</u>

The number of employees included in the above whose emoluments, excluding pension contributions, exceeded £60,000 were as follows -

	<b>2012</b>	2011
£60,000 to £70,000	-	1
£70,000 to £80,000	<u>1</u>	-

Pension contributions paid into a defined benefit scheme for one member of staff earning over £60,000 were £9,768 (2011 £9,531)

Supply staff costing £46,887 (2011 £44,818) were supplied by an agency

The number of staff accruing retirement benefits under pension schemes are as follow -

	<b>2012</b>	2011
Defined benefit scheme - other staff	17	13
Defined benefit scheme - Teaching staff	14	12
SIPP	<u>1</u>	<u>1</u>
	<u>32</u>	<u>26</u>

**BRECKENBROUGH SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2012**

**12 TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery etc £	Totals £
<b>COST</b>			
At 1 September 2011	579,837	721,062	1,300,899
Additions	187,525	109,307	296,832
Disposals	-	(22,620)	(22,620)
	<hr/>	<hr/>	<hr/>
At 31 August 2012	767,362	807,749	1,575,111
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
At 1 September 2011	107,052	488,173	595,225
Charge for year	15,338	79,821	95,159
Eliminated on disposal	-	(17,850)	(17,850)
	<hr/>	<hr/>	<hr/>
At 31 August 2012	122,390	550,144	672,534
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 31 August 2012	<u>644,972</u>	<u>257,605</u>	<u>902,577</u>
At 31 August 2011	<u>472,785</u>	<u>232,889</u>	<u>705,674</u>

Included in cost or valuation of land and buildings is freehold land of £500 (2011 - £500)

The Company is the Custodian Trustee of the Breckenbrough School Charitable Trust and also the sole Trustee entrusted to manage the affairs of that Charitable Trust which includes the permanent endowment property and investments as indicated in note 19 of these financial statements. Financial Reporting Statement 5 requires that the substance of an entity's transactions is reported in its financial statements. This requires that the commercial effect of a transaction and any resulting assets, liabilities, or gains and losses are shown and that the accounts do not merely report the legal form of a transaction. Following this, the Company has included the freehold land and buildings, and investments subject to permanent endowment, within its Balance Sheet.

All fixed assets are held for continuing use in the Charity's activities.

The freehold land and buildings were professionally valued on 10th December 2012 on an open market basis at £2,025,000 by Morgan Bilton Associates, Chartered Surveyors of York. The Trustees do not consider that the valuation would have changed significantly between the year end and the valuation date.

The net book value of tangible fixed assets includes £2,151 (2011 - £5,839) in respect of assets held under hire purchase contracts.

**13. FIXED ASSET INVESTMENTS**

By the Trust Deed, the investments are not subject to the limitations of the Trustee Investments Act. The investments represent a bank deposit account within the Endowed Funds (see note 19). Movements on the account represent the annual transfer of £2,425 from general funds as explained in note 19 together with a small value of interest received in the period.

**BRECKENBROUGH SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2012**

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012	2011
	£	£
Trade debtors	686,438	452,140
Other debtors	74,856	44,090
	<u>761,294</u>	<u>496,230</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012	2011
	£	£
Finance lease	-	3,687
Trade creditors	124,719	47,181
Taxation and social security	38,749	33,675
Other creditors	940,181	746,575
	<u>1,103,649</u>	<u>831,118</u>

The school has a secured overdraft facility of £50,000

	2012	2011
	£	£
Other creditors comprised		
Fees in advance	881,944	680,063
Pension scheme contributions	11,314	12,395
Accruals	33,438	22,715
Other creditors	<u>13,485</u>	<u>31,402</u>
	<u>940,181</u>	<u>746,575</u>

**16. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year

	2012	2011
	£	£
Expiring		
Within one year	3,736	11,564
Between one and five years	22,626	15,115
	<u>26,362</u>	<u>26,679</u>

**BRECKENBROUGH SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2012**

**17. PENSION COMMITMENTS**

The Charity participates in a multi-employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the Charity.

This is an unfunded scheme. The latest actuarial valuation of the scheme was carried out as at 31 March 2004. The need for the formal valuation due in 2008 was suspended by HM Treasury on value for money grounds. However, actuarial assessments have been made of the scheme liabilities as at 31 March 2008 with approximate updates to 31 March 2012.

Until 1 April 2012 the standard contributions rate was 20.5% for the year, 6.4% to be paid by the teachers and the remaining 14.1% borne by the charity. After 1 April 2012 a new sliding scale of employees' contributions came into effect. The new employee contribution rates now vary from 6.4% to 8.8% depending upon the pensionable income of the staff member. The employer's contributions remained at 14.1% throughout the year.

The superannuation charge for the year represents contributions payable to the scheme of £82,857 (2011: £76,887). At the year end £11,314 (2011: £9,178) was due to the scheme. No amounts were prepaid at either year end.

The charity also runs a scheme for its non-teaching staff, which is a defined benefits scheme. The cost for the year represents the Charity's contributions to that scheme of £32,695 (2011: £19,991). At the year end £Nil (2011: £3,217) was due to the scheme. No amounts were prepaid at either year end.

The company contributes to a Self Invested Pension Plan (SIPP) in respect of one employee. The contributions made in the year amounted to £5,340 (2011: £5,340). No amounts were due to or from the SIPP at either year end.

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds	Restricted funds	Endowment funds	2012 Total funds	2011 Total funds
	£	£	£	£	£
Fixed assets	736,503	81,495	84,579	902,577	705,674
Investments	18	-	41,225	41,243	38,800
Current assets	1,382,717	7,385	-	1,390,102	1,115,914
Current liabilities	(1,103,649)	-	-	(1,103,649)	(831,118)
	<u>1,015,589</u>	<u>88,880</u>	<u>125,804</u>	<u>1,230,273</u>	<u>1,029,270</u>

**BRECKENBROUGH SCHOOL LIMITED****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2012****19. MOVEMENT IN FUNDS**

	At 1.9.11 £	Net movement in funds £	Transfers between funds £	At 31.8.12 £
<b>Unrestricted funds</b>				
General fund	708,765	225,979	(2,425)	932,319
Capital grant	83,270	-	-	83,270
	<hr/>	<hr/>	<hr/>	<hr/>
	792,035	225,979	(2,425)	1,015,589
 <b>Restricted funds</b>				
New equipment fund	1,701	(40)	-	1,661
Dfes Standards fund	41,015	(5,895)	-	35,120
Devolved capital fund	57,479	(16,197)	-	41,282
Laptops for teachers fund	1,164	(1,164)	-	-
School travel plan fund	2,702	(2,702)	-	-
Marketing appeal fund	9,795	(2,410)	-	7,385
Capital grant	-	3,432	-	3,432
	<hr/>	<hr/>	<hr/>	<hr/>
	113,856	(24,976)	-	88,880
 <b>Endowment funds</b>				
Foundation capital	84,579	-	-	84,579
Lone House capital	38,800	-	2,425	41,225
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS</b>	<hr/> 1,029,270 <hr/>	<hr/> 201,003 <hr/>	<hr/> - <hr/>	<hr/> 1,230,273 <hr/>

**BRECKENBROUGH SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2012**

**19. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	2,776,359	(2,550,380)	225,979
<b>Restricted funds</b>			
Devolved capital fund	-	(16,197)	(16,197)
Marketing appeal fund	636	(3,046)	(2,410)
PE grants	12,747	(12,747)	-
Capital grant	5,148	(1,716)	3,432
Bursary grant	190	(190)	-
IT Software grant	1,000	(1,000)	-
New equipment fund	-	(40)	(40)
Dfes Standards fund	-	(5,895)	(5,895)
Laptops for teachers fund	-	(1,164)	(1,164)
School travel plan fund	-	(2,702)	(2,702)
	<hr/> 19,721	<hr/> (44,697)	<hr/> (24,976)
<b>Endowment funds</b>			
Lone House capital	-	-	-
<b>TOTAL FUNDS</b>	<hr/> <hr/> 2,796,080	<hr/> <hr/> (2,595,077)	<hr/> <hr/> 201,003



**BRECKENBROUGH SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2012**

**19. MOVEMENT IN FUNDS - continued**

**Capital grant - unrestricted**

This is a designated fund which represents a capital grant which was received from the Department for Education and Skills and may be repayable in the event of the closure of the School

**Dfes Standards fund**

The balance on the Dfes Standards fund is represented by tangible fixed assets. The Dfes Standards fund comprises grants received to improve standards within the school.

**Marketing appeal fund**

This fund represents monies donated in response to a marketing appeal by the School.

**Other restricted funds**

The balances on the devolved capital grant, new equipment fund, laptops for teachers, and the School travel plan grant are represented by tangible fixed assets. The fund balances represent the net book value of the assets purchased by grants received and the unexpended element of the grants.

**Endowed funds**

The Foundation capital represents the original endowment to provide for the establishment of the Charity. The Lone House capital represents the replacement under a recoupment order of sums expended following the sale of the property known as Lone House. The amount outstanding at the year end under the order amounted to £41,225 and is repayable at £2,425 per year, a transfer of £2,425 from the general fund has been made to meet this requirement.

**Capital Grant**

This represents the net book value of assets purchased by grants received.

**PE Grants**

These monies were received to release teacher time to provide specialist PE and sport support to local schools and within the school to embed good practice and to provide more competitive sport for all pupils including the School Games.

**Bursary Grant**

These monies were granted to be used in respect of student travel costs.

**IT Software Grant**

This grant was given to assist with the cost of upgrading software for the school.

**20. CONTINGENT LIABILITIES**

The company participates in a multi-employer defined benefit pension plan. The actuarial valuation of the scheme as at 30 September 2011 revealed that the scheme had a deficit of funding. The company is, therefore, required to make additional contributions to the scheme of £17,460 per annum from 1 April 2013, increasing by 3% per annum. In the event of the company electing to withdraw from the scheme, or being asked to leave the scheme as a result of the non-payment of contributions, the company would have a liability of approximately £314,365.

At the year end there was a legal issue which was settled at a cost of £37,000.

**21. CAPITAL COMMITMENTS**

Capital expenditure of £9,720 had been contracted for at 31 August 2012 (2011: £23,981). At 31 August 2012, £150,000 capital expenditure had been approved but not yet contracted for (2011: £Nil).

**BRECKENBROUGH SCHOOL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 August 2012**

**22. RELATED PARTY DISCLOSURES**

During the year the charity supplied goods and services to the value of £Nil (2011 £151) to the Breckenbrough School Aftercare Committee, a charity on whose board some Governor/Trustees of this charity also serve. At 31 August 2012 the Breckenbrough Aftercare Committee owed the charity £Nil (2011 £109).

**23. ULTIMATE CONTROLLING PARTY**

Due to the diverse nature of the membership of the company, no one member has control over the company.

**24. LIMITED BY GUARANTEE**

The company is limited by guarantee so has no share capital. The members have guaranteed to provide an amount of £1 in the event of the winding up of the company.

**25. DEFERRED INCOME**

	2012 £	2011 £
Grants brought forward	-	9,539
Grants received in the year	-	111,364
Transfer to income for the year - unrestricted	-	(97,977)
Transfer to income for the year - restricted	-	(24,926)
	<hr/>	<hr/>
Grants carried forward for the next year	-	-
	<hr/>	<hr/>