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Charity Registration No. 527598

Company Registration No. 00602279 (England and Wales)

ABBERLEY HALL LIMITED
GOVERNORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

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COMPANIES HOUSE

ABBERLEY HALL LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Governors

The Hon. D.P.C. Legh
C.W. Brickell
A. Goddard
H.A. Granville (Resigned 19 June 2015)
C. Hope
A.G. Duncan
A.R. Manning-Cox
J. McManus
O. O'Sullivan
R.M. d'A. Samuda
A.J. Stewart (Resigned 25 November 2014)
V.E.C. Taylor
M. Turner
J. Tanner
R. Field

Headmaster

W. Lockett

Head of Pre-Prep and Nursery
Joint Deputy Headmaster
Joint Deputy Headmaster

E. Green
C.P. Whitworth
N. Richardson

Secretary

W. Lockett

Charity number

527598

Company number

00602279

Registered office

Abberley Hall
Abberley
Worcester
WR6 6DD

Auditors

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

Bankers

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

ABBERLEY HALL LIMITED

CONTENTS

	Page
Governors' report	1 - 6
Statement of governors' responsibilities	7
Independent auditors' report	8 - 9
Statement of financial activities	10
Balance sheet	11
Cash flow statement	12
Notes to the accounts	13 - 27

ABBERLEY HALL LIMITED

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The governors present their report and accounts for the year ended 31 August 2015.

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

Structure, governance and management

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

On 13 November 2015, after the balance sheet date, the charitable company issued new Articles of Association.

The registered office of the charity is:

Abberley Hall, Abberley, Worcestershire, WR6 6DD

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

Headmaster	W Lockett
Deputy Headmaster	N. Richardson
Head of Pre-Prep and Nursery	E. Green

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

The Hon. D.P.C. Legh	(Chairman)
C.W. Brickell FCA	
A. Goddard	
H.A. Granville	(Resigned 19 June 2015)
C. Hope	
A.G. Duncan	
A.R. Manning-Cox	
J. McManus	
O. O'Sullivan	
R.M. d'A. Samuda	
A.J. Stewart	(Resigned 25 November 2014)
V.E.C. Taylor	
M. Turner	
J. Tanner	
R. Field	

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

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

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

ABBERLEY HALL LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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

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

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

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

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

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

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

Objectives and activities

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

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

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

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

ABBERLEY HALL LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Definable Public Benefit

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

Charitable contributions through assisted places

During the year 54 pupils (2014 - 49 pupils) received help with fees, of which 1 pupil (2014 - 1 pupil) was supported by their Local Authority and Charitable Children's Trusts. These children have at some time been at risk of being taken into care and all are monitored by Social Services.

Of the remaining 53 pupils, no pupils (2014 - 1 pupil) have special educational needs that are not being met by the maintained sector and received on average discount on fees of £2,000 per child.

The other 53 pupils (2014 - 47 pupils) were from families who have applied for boarding or day places and requested help with the fees. This was mostly in the region of 20% to 30%, although greater levels of assistance are given to families who have paid full fees in the past but who have fallen on difficult times.

In addition, during the year pre-prep pupils included no pupils (2014 - no pupils) supported by their Local Authority and Charitable Children's Trusts, no pupils (2014 - no pupils) receiving discounts for special educational needs and 9 pupils (2014 - 8 pupils) receiving discounts after requesting help with their fees.

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

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

Other Public Benefit

Hire and permitted use of facilities

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

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

Holiday clubs

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

Work experience and student teacher placement

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

Raising funds for charities

The school has a history of supporting other charities, most importantly with a fund raising fete held every five years, which was held last year. Throughout the year, £2,055 was raised for other charities.

ABBERLEY HALL LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Heritage

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

Links with local maintained schools and activities for children

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

School Operating Policies

Safeguarding children policy

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

There are five main elements to our policy:

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

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

Children volunteering policy

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

Health and safety policy

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

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

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

ABBERLEY HALL LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Anti-bullying policy

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

Parental complaints procedure

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

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

Other areas of note

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

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

Achievements and performance

The performance achieved by the charity was measured in financial terms by comparing the actual deficit, (£139,774) with the budgeted surplus of £35,669 (2014 - £16,788 surplus with budgeted surplus of £46,287). The financial performance of the school is, to a large extent, determined by the numbers of pupils which were slightly higher than expected at 162 actual boarder equivalents compared with the budgeted figure of 159 (2014 - 182 compared to budgeted 172). However, due to a number of unanticipated expenses during the year, including work on the astroturf and forestry works, an unexpected deficit has been generated.

Financial review

The unrestricted deficit for the year was (£69,963), which with a designated fund deficit of (£69,811) gave a total deficit for the year amounting to (£139,774) (2014 - surplus of £16,788). In the opinion of the governors, the state of affairs of the company is satisfactory.

The School's unrestricted funds stood at £3.79m (2014 - £3.89m) at the year end, following the allocation of £34,077 to designated funds, and were wholly deployed as part of the school premises and equipment, and with the need for day to day working capital met by careful management of short term liquid resources in the absence of free reserves.

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

ABBERLEY HALL LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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

Asset cover for funds

Note 22 sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

Details of the fixed assets are given in the notes forming part of the financial statements for the year ended 31 August 2015. In the opinion of the governors, the value of the freehold property exceeds the net book value shown in the financial statements, but they consider no useful purpose would be served by bearing the cost of an independent revaluation. The insurance value of the buildings of the school is £13.2m. It should be noted that this is the estimated cost of replacement as new and excludes the value of the land.

Plans for the future

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

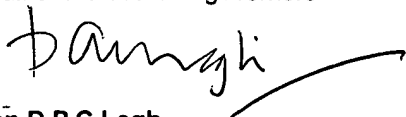
Disclosure of information to auditors

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

Auditors

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

On behalf of the board of governors



The Hon D P C Legh

Governor

Dated: 11 March 2016

ABBERLEY HALL LIMITED

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

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

In preparing these accounts, the governors are required to:

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

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

ABBERLEY HALL LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ABBERLEY HALL LIMITED

We have audited the accounts of Abberley Hall Limited for the year ended 31 August 2015 set out on pages 10 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of governors and auditors

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

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

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

ABBERLEY HALL LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF ABBERLEY HALL LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

J. T. Marston

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

**Chartered Accountants
Statutory Auditor**
Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Dated: 11 March 2016

ABBERLEY HALL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2015 £	Total 2014 £
<u>Incoming resources from generated funds</u>						
Activities for generating funds	2	117,831	-	-	117,831	117,102
Investment income	3	16	-	-	16	1,070
		<u>117,847</u>	<u>-</u>	<u>-</u>	<u>117,847</u>	<u>118,172</u>
Incoming resources from charitable activities	4	3,577,605	-	-	3,577,605	3,718,755
Total incoming resources		<u>3,695,452</u>	<u>-</u>	<u>-</u>	<u>3,695,452</u>	<u>3,836,927</u>
<u>Resources expended</u>						
Costs of generating funds	5					
School uniform purchases	2	14,493	-	-	14,493	17,936
		<u>14,493</u>	<u>-</u>	<u>-</u>	<u>14,493</u>	<u>17,936</u>
Net incoming resources available		<u>3,680,959</u>	<u>-</u>	<u>-</u>	<u>3,680,959</u>	<u>3,818,991</u>
Charitable activities						
Teaching costs		2,223,875	-	-	2,223,875	2,226,296
Welfare		732,685	-	-	732,685	718,116
Premises		421,216	69,811	-	491,027	452,067
Extracurricular activities		307,246	-	-	307,246	363,924
		<u>3,685,022</u>	<u>69,811</u>	<u>-</u>	<u>3,754,833</u>	<u>3,760,403</u>
Total charitable expenditure		<u>3,685,022</u>	<u>69,811</u>	<u>-</u>	<u>3,754,833</u>	<u>3,760,403</u>
Governance costs		54,863	-	-	54,863	30,216
Other resources expended		11,037	-	-	11,037	11,584
		<u>65,899</u>	<u>-</u>	<u>-</u>	<u>65,899</u>	<u>41,800</u>
Total resources expended		<u>3,765,415</u>	<u>69,811</u>	<u>-</u>	<u>3,835,226</u>	<u>3,820,139</u>
Net (outgoing)/incoming resources before transfers		<u>(69,963)</u>	<u>(69,811)</u>	<u>-</u>	<u>(139,774)</u>	<u>16,788</u>
Gross transfers between funds	12	(34,077)	34,077	-	-	-
		<u>(34,077)</u>	<u>34,077</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net (expenditure)/income for the year/ Net movement in funds		<u>(104,040)</u>	<u>(35,734)</u>	<u>-</u>	<u>(139,774)</u>	<u>16,788</u>
Fund balances at 1 September 2014		3,893,404	35,734	2,000	3,931,138	3,914,350
		<u>3,893,404</u>	<u>35,734</u>	<u>2,000</u>	<u>3,931,138</u>	<u>3,914,350</u>
Fund balances at 31 August 2015		<u>3,789,364</u>	<u>-</u>	<u>2,000</u>	<u>3,791,364</u>	<u>3,931,138</u>

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

ABBERLEY HALL LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	13		4,329,430		4,345,303
Current assets					
Stocks	14	51,133		56,728	
Debtors	15	333,835		357,759	
Investments	16	50		50	
Cash at bank and in hand		11,350		7,919	
		<u>396,368</u>		<u>422,456</u>	
Creditors: amounts falling due within one year	17	<u>(934,434)</u>		<u>(836,621)</u>	
Net current liabilities			<u>(538,066)</u>		<u>(414,165)</u>
Total assets less current liabilities			<u>3,791,364</u>		<u>3,931,138</u>
Income funds					
Restricted funds	20		2,000		2,000
Unrestricted funds:					
Designated funds	21		-		35,734
Other charitable funds					
Share capital		100		100	
Unrestricted income funds		<u>3,789,264</u>		<u>3,893,304</u>	
			<u>3,789,364</u>		<u>3,893,404</u>
			<u>3,791,364</u>		<u>3,931,138</u>

The accounts were approved by the Board on 11 March 2016


The Hon D P C Legh
Governor


Mr A G Duncan
Governor

Company Registration No. 00602279

ABBERLEY HALL LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash outflow from operating activities	23	(46,987)	(41,848)
Returns on investments and servicing of finance			
Financing costs	<u>(11,037)</u>	<u>(11,584)</u>	
Net cash outflow from returns on investments and servicing of finance		(11,037)	(11,584)
Capital expenditure			
Payments to acquire tangible fixed assets	<u>(4,930)</u>	<u>(59,399)</u>	
Net cash outflow from capital expenditure		(4,930)	(59,399)
Net cash outflow before financing		(62,954)	(112,831)
Financing			
Repayment of long term bank loan	<u>-</u>	<u>(21,043)</u>	
Net cash outflow from financing		-	(21,043)
Decrease in cash	24	<u>(62,954)</u>	<u>(133,874)</u>

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

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

1.2 Incoming resources

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

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

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

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

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

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

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

1.3 Resources expended

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

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

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

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

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

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

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.4 Tangible fixed assets and depreciation

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

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

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

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

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

1.5 Leasing and hire purchase commitments

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

1.6 Investments

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

1.7 Stock

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

1.8 Pensions

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

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

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies (Continued)

1.9 Foreign currency translation

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

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

1.10 Accumulated funds

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

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

1.11 Rental of swimming pool

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

2 Activities for generating funds

	2015 £	2014 £
Income generated from trading activities		
Rent receivable	6,551	7,047
Milk subsidy	804	992
Uniform shop	19,165	17,645
Miscellaneous income	15,042	5,267
Swimming pool rent receivable	32,000	32,000
Spode music week	-	14,242
Rural payment agency	1,800	1,416
Summer boarding school	42,469	38,493
	<u>117,831</u>	<u>117,102</u>
Trading activities expenditure		
School uniform purchases	(14,493)	(17,936)
Net income from trading activities	<u>103,338</u>	<u>99,166</u>

3 Investment income

	2015 £	2014 £
Interest receivable	<u>16</u>	<u>1,070</u>

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

4 Incoming resources from charitable activities

	2015 £	2014 £
Income from main charitable activities	3,213,209	3,315,493
Fees for extracurricular activities	259,587	289,024
Supported learning fees	46,134	57,689
French chalet income	58,675	56,549
	<u>3,577,605</u>	<u>3,718,755</u>
Income from main charitable activities includes:		
School fees	3,826,440	3,902,063
After school care	6,788	6,457
Allowances	(609,596)	(575,913)
Commission	(10,423)	(17,114)
	<u>3,213,209</u>	<u>3,315,493</u>

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2015 £	Total 2014 £
Costs of generating funds					
School uniform purchases	-	-	14,493	14,493	17,936
Charitable activities					
<u>Teaching costs</u>					
Activities undertaken directly	1,864,021	-	111,855	1,975,876	1,987,715
Support costs	104,065	3,137	140,797	247,999	238,581
Total	1,968,086	3,137	252,652	2,223,875	2,226,296
<u>Welfare</u>					
Activities undertaken directly	319,409	-	382,065	701,474	687,710
Support costs	17,832	538	12,841	31,211	30,406
Total	337,241	538	394,906	732,685	718,116
<u>Premises</u>					
Activities undertaken directly	148,389	16,878	311,786	477,053	437,460
Support costs	8,284	250	5,440	13,974	14,607
Total	156,673	17,128	317,226	491,027	452,067
Extracurricular activities					
Activities undertaken directly	120,941	-	186,305	307,246	363,924
	<u>2,582,941</u>	<u>20,803</u>	<u>1,151,089</u>	<u>3,754,833</u>	<u>3,760,403</u>
Governance costs	-	-	54,863	54,863	30,216
Other resources expended	-	-	11,037	11,037	11,584
	<u>2,582,941</u>	<u>20,803</u>	<u>1,231,482</u>	<u>3,835,226</u>	<u>3,820,139</u>

Governance costs includes payments to the auditors of £5,540 (2014: £5,540) for audit fees.

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

6 Activities undertaken directly

	2015 £	2014 £
Other costs relating to teaching costs comprise:		
Healthcare	10,776	11,298
Books	16,384	19,604
Science	1,232	1,529
Art and CDT	7,299	5,807
Drama	11,874	15,957
IT	16,758	10,990
Sports	3,582	7,032
Other academic subjects	23,880	12,110
Training	3,558	7,306
Healthcare for pre-prep pupils	2,682	1,893
Books and stationery for pre-prep pupils	13,830	8,968
	<u>111,855</u>	<u>102,494</u>
Other costs relating to welfare comprise:		
Medical expenses	6,297	10,101
Oil	44,111	63,068
Gas	20,478	20,572
Electricity	48,912	45,776
Meals and provisions	155,293	142,684
Housekeeping	29,181	31,189
Travel expenses	44,793	45,553
Meals for pre-prep pupils	33,000	33,000
	<u>382,065</u>	<u>391,943</u>
Other costs relating to premises comprise:		
Grounds expenses	65,609	59,725
Repairs and maintenance	120,427	103,286
Rates	22,639	28,039
Swimming pool rental and related costs	33,300	44,782
Other costs	69,811	40,907
	<u>311,786</u>	<u>276,739</u>
Other costs relating to extracurricular activities comprise:		
Clubs, trips and other after school activities	142,787	160,535
French chalet activities	46,743	43,634
Exchange rate (profit)/loss on French chalet activities	(3,225)	9,459
	<u>186,305</u>	<u>213,628</u>

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

7 Support costs

	Teaching costs £	Welfare £	Premises £	Total 2015 £	Total 2014 £
Other costs	140,797	12,841	5,440	159,078	176,023
Staff costs	104,065	17,832	8,284	130,181	99,188
Depreciation	3,137	538	250	3,925	8,383
	<u>247,999</u>	<u>31,211</u>	<u>13,974</u>	<u>293,184</u>	<u>283,594</u>

Support costs that do not directly relate to the main activities of the school are apportioned on a percentage of staff costs attributable to each of the charitable activities basis (see note 5)

	2015 £	2014 £
Other support costs relating to teaching costs comprise:		
Healthcare	2,455	1,633
Insurance	24,021	22,321
Telephone	11,251	4,538
Postage	2,266	3,303
Subscriptions	5,374	4,383
General office expenses	28,857	6,651
Bad debt expense	4,816	31,055
Promotional expenditure	60,536	59,583
Entertainment	1,221	4,102
Staff recruitment	-	1,740
Rent of flats for staff	-	11,976
	<u>140,797</u>	<u>151,285</u>

Other support costs relating to welfare comprise:

Healthcare	421	256
Insurance	4,116	3,502
Telephone	1,928	712
Postage	388	518
Subscriptions	921	688
General office expenses	4,301	1,044
Promotional expenditure	557	9,348
Entertainment	209	643
	<u>12,841</u>	<u>16,711</u>

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

7 Support costs

(Continued)

Other support costs relating to premises comprise:

Healthcare	195	123
Insurance	1,912	1,682
Telephone	896	342
Postage	180	249
Subscriptions	428	330
General office expenses	1,473	501
Promotional expenditure	259	4,491
Entertainment	97	309
	<u>5,440</u>	<u>8,027</u>

8 Governance costs

	2015	2014
	£	£
Other governance costs comprise:		
Legal and professional fees	25,223	2,676
Accountancy and audit fees	29,640	27,540
	<u>54,863</u>	<u>30,216</u>

9 Governors

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

None of the governors received any reimbursement of expenses during the year.

10 Other resources expended

	2015	2014
	£	£
Other resources expended comprise:		
Bank overdraft interest paid	3,110	1,631
Bank charges paid	7,927	8,741
Fees in advance interest paid	-	699
French mortgage interest payable	-	513
	<u>11,037</u>	<u>11,584</u>

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2015 Number	2014 Number
Teachers	58	61
Welfare Staff	31	31
Premises maintenance staff	7	7
Extracurricular and support staff	15	15
Administration staff	6	5
	<u>117</u>	<u>119</u>

Employment costs

	2015 £	2014 £
Wages and salaries	2,216,037	2,204,491
Social security costs	155,612	153,345
Other pension costs	211,292	214,729
	<u>2,582,941</u>	<u>2,572,565</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2015 Number	2014 Number
£70,001 - £80,000	1	-
£110,001 - £120,000	-	1

Of the employees whose emoluments exceed £60,000, 1 (2014: 1) has retirement benefits accruing under defined benefit pension schemes.

12 Transfers

During the year, it was decided that £34,077 (2014: £50,000) should be allocated to the designated fund for future expenditure required on improving the headmaster's house. See note 21 for further details regarding the designated funds.

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

13 Tangible fixed assets

	Freehold land and buildings £	Alterations and improvements £	Grounds and computer equipment £	Furniture, plant and fittings £	Motor vehicles £	Total £
Cost						
At 1 September 2014	2,384,765	1,788,817	432,397	52,002	17,831	4,675,812
Additions	-	-	4,930	-	-	4,930
At 31 August 2015	2,384,765	1,788,817	437,327	52,002	17,831	4,680,742
Depreciation						
At 1 September 2014	-	-	295,640	17,038	17,831	330,509
Charge for the year	-	-	17,304	3,499	-	20,803
At 31 August 2015	-	-	312,944	20,537	17,831	351,312
Net book value						
At 31 August 2015	2,384,765	1,788,817	124,383	31,465	-	4,329,430
At 31 August 2014	2,384,765	1,788,817	136,757	34,964	-	4,345,303

14 Stocks

	2015 £	2014 £
School uniforms	44,533	46,486
Heating oil	3,978	7,462
Gas	2,622	2,780
	51,133	56,728

15 Debtors

	2015 £	2014 £
Fees due	220,744	296,261
Other debtors	48,703	19,255
Prepayments and accrued income	64,388	42,243
	333,835	357,759

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

16 Current asset investments

Current asset investments are made up of government securities. The cost of these investments was £50.

17 Creditors: amounts falling due within one year	2015 £	2014 £
Bank overdrafts	382,026	315,641
Trade creditors	132,980	79,016
Fees in advance	50,644	61,361
Taxes and social security costs	50,893	54,549
Payments on account	237,665	253,376
Pension creditor	35,577	32,502
Other creditors	33,449	29,876
Accruals	11,200	10,300
	<u>934,434</u>	<u>836,621</u>

Lloyds Bank Plc holds a mortgage deed over the charity, secured on the mansion house known as Abberley Hall and all associated land and buildings. At the year end the total property used as security was included in the accounts at a value of £3,927,062 (2014 - £3,927,062).

Lloyds Bank Plc also hold a fixed and floating charge for all assets in the financial statements against total borrowings. At the year end, the total borrowings on all bank accounts with Lloyds Bank Plc was £382,026 (2014 - £315,641).

18 Pension and other post-retirement benefit commitments

	2015 £	2014 £
Contributions payable by the company for the year	<u>211,292</u>	<u>214,729</u>

19 Share capital

	2015 £	2014 £
100 Ordinary £1 Shares	<u>100</u>	<u>100</u>

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 September 2014	Movement in funds		Balance at 31 August 2015
	£	Incoming resources £	Resources expended £	£
Prize fund	2,000	-	-	2,000
	2,000	-	-	2,000

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

21 Designated funds

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

	Balance at 1 September 2014	Movement in funds			Balance at 31 August 2015
	£	Incoming resources £	Resources expended £	Transfers £	£
Property improvement reserve	35,734	-	(69,811)	34,077	-
	35,734	-	(69,811)	34,077	-

22 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	4,329,430	-	-	4,329,430
Current assets	394,368	-	2,000	396,368
Creditors: amounts falling due within one year	(934,434)	-	-	(934,434)
	3,789,364	-	2,000	3,791,364

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

23	Net cash outflow from operating activities	2015	2014
		£	£
	Reconciliation to changes in resources		
	Changes in resources before revaluations	(139,774)	16,788
	Financing costs	11,037	11,584
	Depreciation of tangible fixed assets	20,803	27,011
	Decrease in stocks	5,595	8,637
	Decrease/(increase) in debtors	23,924	(35,112)
	Increase/(decrease) in creditors	31,428	(70,756)
		(46,987)	(41,848)

24	Reconciliation of net cash flow to movement in net debt	2015	2014
		£	£
	Decrease in cash	(62,954)	(133,874)
	Repayment of long term bank loan	-	21,043
	Movement in net debt	(62,954)	(112,831)
	Net debt at 1 September 2014	(307,672)	(194,841)
	Net debt at 31 August 2015	(370,626)	(307,672)

25 Analysis of net cash balances

	At 1 September 2014	Cash flow	Non-cash changes	At 31 August 2015
	£	£	£	£
Cash at bank and in hand	7,919	3,431	-	11,350
Bank overdrafts	(315,641)	(66,385)	-	(382,026)
Current asset investments	50	-	-	50
	(307,672)	(62,954)	-	(370,626)

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

26 Commitments under operating leases

At 31 August 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within one year	806	429
Between two and five years	17,801	18,607
	<u>18,607</u>	<u>19,036</u>

27 Related parties

During the year Abberley Hall Limited traded on normal commercial terms with Abberley Hall Enterprises Limited, a company incorporated in England and Wales. Mr A. G. Duncan and The Hon. D. P. C. Legh, who are governors of Abberley Hall Limited are the sole shareholders of Abberley Hall Enterprises Limited and hold the shares as nominees for Abberley Hall Limited. Rent received from Abberley Hall Enterprises Limited during the year amounted to £32,000 (2014 £32,000) and fees paid to Abberley Hall Enterprises Limited for use of the swimming pool totalled £22,300 (2014 £37,300), including unrecoverable VAT. During the year Abberley Hall Limited received £26,788 (2014 £24,000) recharges for oil and wages from Abberley Hall Enterprises Limited. Expenses and VAT payments totalling £Nil (2014 £7,482) were met by Abberley Hall Limited on behalf of Abberley Hall Enterprises Limited and cash of £11,144 (2014 £14,546) was collected on behalf of Abberley Hall Enterprises Limited. At the year end £46,149 (2014 £16,715) was owed by Abberley Hall Enterprises Limited to Abberley Hall Limited.

During the year 3 of the Governors (2014 4 Governors) had 4 children (2014 5 children) attending the school. The school charged them a total of £74,490 (2014 £86,910) for school fees and £11,924 (2014 £4,051) for extras and disbursements. School fees were charged at full rates, except for 2 children (2014 2 children) who received standard rate remission available to all children who have an older sibling attending the school.

In the year Mr William Lockett, company secretary and headmaster of the school, had two children at the school. The school charged fees of £9,311 (2014 £6,396) including the standard remission due to the children of staff members, and extras of £6,038 in the year (2014 £1,655). At the end of the year, the school had debtors of £3,273 (2014 £1,276) relating to these pupils.

The Abberley Hall Foundation is a charity whose objectives are the advancement of the education of the pupils of Abberley Hall School by assisting in the maintenance, improvement and development of buildings and facilities at the School. Mr A. J. Stewart and Mr V. E. C. Taylor are trustees of both charities. At the year end £Nil (2014 £2,704) was owed by The Abberley Hall Foundation to Abberley Hall Limited for expenses paid on their behalf amounting to £7,042 (2014 £7,870).

During the year the school paid legal fees to Whatley Weston & Fox Solicitors amounting to £600 (2014 £Nil). Mr A. G. Duncan, who is a governor of Abberley Hall Limited, is also a partner of Whatley Weston & Fox Solicitors.

The school paid legal fees of £1,253 (2014 £Nil) to Wragge & Co. A. R. Manning-Cox is a partner of Wragge & Co. and is also a governor of Abberley Hall Limited.

ABBERLEY HALL LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

28 Auditors' Ethical Standards

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