

Queen Ethelburga's College Limited

Directors' Report and Financial Statements

for the Year Ended 31 August 2015

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Queen Ethelburga's College Limited
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The following pages do not form part of the statutory financial statements:

Detailed Profit and Loss Account	18 to 20
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Queen Ethelburga's College Limited
Company Information

Directors	F D Martin A Martin C J Hall
Company secretary	C J Hall
Registered office	Thorpe Underwood Hall Thorpe Underwood York North Yorkshire YO26 9SZ
Bankers	Barclays Bank Plc Harrogate Branch 25 James Street Harrogate North Yorkshire HG1 1QX
Auditors	Watson Buckle Limited Statutory Auditor & Chartered Accountants York House Cottingley Business Park Bradford West Yorkshire BD16 1PE

Queen Ethelburga's College Limited
Strategic Report for the Year Ended 31 August 2015

The directors present their strategic report for the year ended 31 August 2015.

Business review

Fair review of the business

Following several national newspapers publishing the significant improvement in exam results, Queen Ethelburga's College Limited saw an increase in pupil numbers leading to a 41% increase in turnover. The profit on ordinary activities before taxation was £2,890,872 (2014 - £1,217,729). The Balance Sheet on page 8 of the financial statements shows that the company's financial position is, in terms of net assets and cash, stronger than the previous year.

The company's directors believe that further key performance indicators of the company are not necessary or appropriate for an understanding of the development, performance or position of the business, and that the ones identified are the key indicators that are used by the Board to monitor the company's performance.

Both the level of business for the year and the year end financial position are considered satisfactory.

Principal risks and uncertainties

The business' principal financial instrument is bank balances. The main purpose of this instrument is to finance the business' operations.

All of the business' cash balances are held in such a way that achieves a competitive rate of interest.

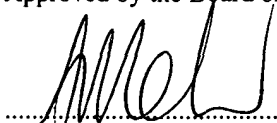
Competitive pressure in the UK is a continuing risk for the company. The company manages such risks by providing appropriate quality services to its customers.

The company's transactions are all in pound sterling and therefore there is no exposure to a movement in exchange rates.

The company is not exposed to any third party debt.

The company has some credit risk with customers and policies are in place to ensure the credit worthiness of all customers.

Approved by the Board on 25 May 2016 and signed on its behalf by:



.....
A Martin
Director

Queen Ethelburga's College Limited
Directors' Report for the Year Ended 31 August 2015

The directors present their report and the financial statements for the year ended 31 August 2015.

Directors of the company

The directors who held office during the year were as follows:

B R Martin (resigned 23 October 2015)

E Martin (resigned 23 October 2015)

F D Martin

A Martin

C J Hall

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Reappointment of auditors

The auditors Watson Buckle Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 25 May 2016 and signed on its behalf by:



A Martin
Director

Queen Ethelburga's College Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Queen Ethelburga's College Limited

We have audited the financial statements of Queen Ethelburga's College Limited for the year ended 31 August 2015, set out on pages 7 to 17. 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements 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 the financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

**Independent Auditor's Report to the Members of
Queen Ethelburga's College Limited**

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Matters on which we are required to report by exception

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

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

Watson Buckle Limited

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Christopher Padgett FCA (Senior Statutory Auditor)
For and on behalf of Watson Buckle Limited
Statutory Auditor & Chartered Accountants
Bradford

25 May 2016

Queen Ethelburga's College Limited
Profit and Loss Account for the Year Ended 31 August 2015

	Note	2015 £	2014 £
Turnover		19,275,530	13,684,181
Cost of sales		<u>(6,459,873)</u>	<u>(4,938,185)</u>
Gross profit		12,815,657	8,745,996
Administrative expenses		<u>(10,109,071)</u>	<u>(7,704,267)</u>
Operating profit	2	2,706,586	1,041,729
Other interest receivable and similar income	5	190,218	181,710
Interest payable and similar charges	6	<u>(5,932)</u>	<u>(5,710)</u>
Profit on ordinary activities before taxation		2,890,872	1,217,729
Tax on profit on ordinary activities	7	<u>(736,756)</u>	<u>(383,600)</u>
Profit for the financial year	15	<u><u>2,154,116</u></u>	<u><u>834,129</u></u>

Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Queen Ethelburga's College Limited
Balance Sheet at 31 August 2015

		2015		2014	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	8		7,473,433		5,498,111
Current assets					
Debtors	9	11,779,713		12,220,981	
Cash at bank and in hand		<u>655,239</u>		<u>392,140</u>	
		12,434,952		12,613,121	
Creditors: Amounts falling due within one year	10	<u>(18,462,751)</u>		<u>(17,102,130)</u>	
Net current liabilities			<u>(6,027,799)</u>		<u>(4,489,009)</u>
Total assets less current liabilities			1,445,634		1,009,102
Creditors: Amounts falling due after more than one year	11		(263,673)		(224,257)
Provisions for liabilities	12		<u>(61,500)</u>		<u>(18,500)</u>
Net assets			<u>1,120,461</u>		<u>766,345</u>
Capital and reserves					
Called up share capital	13	100		100	
Profit and loss account	15	<u>1,120,361</u>		<u>766,245</u>	
Shareholders' funds	16		<u>1,120,461</u>		<u>766,345</u>

Approved and authorised for issue by the Board on 25 May 2016 and signed on its behalf by:



C J Hall
Director

Queen Ethelburga's College Limited
Notes to the Financial Statements for the Year Ended 31 August 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention.

Exemption from preparing a cash flow statement

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group.

Turnover

Turnover represents amounts chargeable in respect of the sale of goods and services to pupils. Fees invoiced in advance are deferred on the Balance Sheet and recognised as turnover over the period of the service provision.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Plant and machinery	25% straight line basis
Fixtures and fittings	10% straight line basis
Office equipment	25% straight line basis
Long leasehold land and buildings	10% straight line basis

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Queen Ethelburga's College Limited

Notes to the Financial Statements for the Year Ended 31 August 2015

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Pensions

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

The cost of the defined benefit pension scheme is charged to the Profit & Loss Account so as to spread the cost of pensions over the service lives of employees. Pension cost is assessed in accordance with the advice of the Government Actuary.

2 Operating profit

Operating profit is stated after charging:

	2015 £	2014 £
Operating leases - other assets	2,701,583	2,107,799
Auditor's remuneration - The audit of the company's annual accounts	12,100	12,100
Depreciation of owned assets	<u>1,412,393</u>	<u>1,069,954</u>

3 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2015 No.	2014 No.
Administration and support	24	20
Other departments	<u>177</u>	<u>137</u>
	<u>201</u>	<u>157</u>

The aggregate payroll costs were as follows:

	2015 £	2014 £
Wages and salaries	5,015,892	3,808,583
Social security costs	365,689	265,071
Staff pensions	<u>357,860</u>	<u>263,681</u>
	<u>5,739,441</u>	<u>4,337,335</u>

Queen Ethelburga's College Limited

Notes to the Financial Statements for the Year Ended 31 August 2015

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4 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015	2014
	£	£
Remuneration	22,473	16,456
Company contributions paid to money purchase schemes	<u>10,973</u>	<u>1,025</u>

During the year the number of directors who were receiving benefits was as follows:

	2015	2014
	No.	No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

5 Other interest receivable and similar income

	2015	2014
	£	£
Bank interest receivable	25	236
Other interest receivable	<u>190,193</u>	<u>181,474</u>
	<u>190,218</u>	<u>181,710</u>

6 Interest payable and similar charges

	2015	2014
	£	£
Interest on bank borrowings	-	114
Other interest payable	<u>5,932</u>	<u>5,596</u>
	<u>5,932</u>	<u>5,710</u>

Queen Ethelburga's College Limited

Notes to the Financial Statements for the Year Ended 31 August 2015

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7 Taxation

Tax on profit on ordinary activities

	2015 £	2014 £
Current tax		
Corporation tax charge	694,700	351,500
Adjustments in respect of previous years	(944)	-
Group relief payable	-	49,100
UK Corporation tax	<u>693,756</u>	<u>400,600</u>
Deferred tax		
Origination and reversal of timing differences	44,000	(13,900)
Effect of changes in tax rates	<u>(1,000)</u>	<u>(3,100)</u>
Total deferred tax	<u>43,000</u>	<u>(17,000)</u>
Total tax on profit on ordinary activities	<u><u>736,756</u></u>	<u><u>383,600</u></u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20% (2014 - 21%).

The differences are reconciled below:

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>2,890,872</u>	<u>1,217,729</u>
Corporation tax at standard rate	578,174	255,723
Accelerated capital allowances	(43,744)	13,905
Depreciation on fixed assets not qualifying for capital allowances	124,524	90,388
Expenses not deductible for tax purposes	16,162	19,609
(Over)/under provision in prior year	(944)	-
Change in tax rate and roundings	<u>19,584</u>	<u>20,975</u>
Total current tax	<u><u>693,756</u></u>	<u><u>400,600</u></u>

Queen Ethelburga's College Limited

Notes to the Financial Statements for the Year Ended 31 August 2015

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8 Tangible fixed assets

	Long leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 September 2014	-	1,638,827	6,547,949	168,581	8,355,357
Additions	322,922	362,889	2,632,638	69,266	3,387,715
At 31 August 2015	322,922	2,001,716	9,180,587	237,847	11,743,072
Depreciation					
At 1 September 2014	-	733,561	2,008,409	115,276	2,857,246
Charge for the year	32,292	402,579	918,062	59,460	1,412,393
At 31 August 2015	32,292	1,136,140	2,926,471	174,736	4,269,639
Net book value					
At 31 August 2015	290,630	865,576	6,254,116	63,111	7,473,433
At 31 August 2014	-	905,266	4,539,540	53,305	5,498,111

9 Debtors

	2015 £	2014 £
Trade debtors	424,273	334,733
Amounts owed by group undertakings	11,355,440	11,373,786
Other debtors	-	512,462
	<u>11,779,713</u>	<u>12,220,981</u>

10 Creditors: Amounts falling due within one year

	2015 £	2014 £
Corporation tax	60,101	-
Other creditors	1,507,500	2,062,873
Accruals and deferred income	16,895,150	15,039,257
	<u>18,462,751</u>	<u>17,102,130</u>

Queen Ethelburga's College Limited

Notes to the Financial Statements for the Year Ended 31 August 2015

..... continued

11 Creditors: Amounts falling due after more than one year

	2015	2014
	£	£
Accruals and deferred income	<u>263,673</u>	<u>224,257</u>

12 Provisions

	Deferred tax	Total
	£	£
At 1 September 2014	18,500	18,500
Charged to the profit and loss account	<u>43,000</u>	<u>43,000</u>
At 31 August 2015	<u>61,500</u>	<u>61,500</u>

Analysis of deferred tax

	2015	2014
	£	£
Difference between accumulated depreciation and amortisation and capital allowances	<u>61,500</u>	<u>18,500</u>

13 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

14 Dividends

	2015	2014
	£	£
Dividends paid		
Current year interim dividend paid	<u>1,800,000</u>	<u>600,000</u>

Queen Ethelburga's College Limited

Notes to the Financial Statements for the Year Ended 31 August 2015

..... continued

15 Reserves

	Profit and loss account £	Total £
At 1 September 2014	766,245	766,245
Profit for the year	2,154,116	2,154,116
Dividends	(1,800,000)	(1,800,000)
At 31 August 2015	<u>1,120,361</u>	<u>1,120,361</u>

16 Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Profit attributable to the members of the company	2,154,116	834,129
Dividends	(1,800,000)	(600,000)
Net addition to shareholders' funds	354,116	234,129
Shareholders' funds at 1 September	<u>766,345</u>	<u>532,216</u>
Shareholders' funds at 31 August	<u>1,120,461</u>	<u>766,345</u>

17 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £10,973 (2014 - £1,025).

Contributions totalling £nil (2014 - £nil) were payable to the schemes at the end of the year and are included in creditors.

Queen Ethelburga's College Limited

Notes to the Financial Statements for the Year Ended 31 August 2015

..... continued

Defined benefit pension schemes

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £346,887 (2014: £262,656) and at the year-end £Nil (2014 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate for the TPS will increase from 14.1% to 16.4% although, recognising that teaching establishments work on an academic and not financial year, the Government has deferred the implementation of this increase to 1 September 2015.

Employers will in addition from 1 September 2015 pay a scheme administration levy of 0.08% of the employers' salary costs which will increase the total employer payment rate from 16.4% to 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the next actuarial valuation which is due at 31 March 2016. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

18 Commitments

Operating lease commitments

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

Operating leases which expire:

	2015 £	2014 £
Land and buildings		
Within two and five years	50,018	-
Over five years	2,651,565	2,107,799
	<u>2,701,583</u>	<u>2,107,799</u>

19 Related party transactions

Other related party transactions

During the year the company made the following related party transactions:

Queen Ethelburga's College Limited

Notes to the Financial Statements for the Year Ended 31 August 2015

..... continued

The Collegiate Charitable Foundation

(Three of the company's directors, B R Martin, E Martin and F D Martin are also trustees of the above.)

Rent of £2,701,583 (2014 - £2,107,799) and rates of £35,882 (2014 - £37,957) was paid to The Collegiate Charitable Foundation during the year at commercial rates. At the balance sheet date the amount due to The Collegiate Charitable Foundation was £nil (2014 - £nil).

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

20 Control

The company is controlled by its parent company, The Collegiate Formation Limited (Formerly Buckedge Limited). Copies of the financial statements of The Collegiate Formation Limited are available at Companies House, Crown Way, Maindy, Cardiff.

The ultimate controlling party is Foxlow Limited, a company registered in the British Virgin Islands.