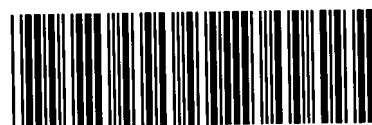


# Faculty of Queen Ethelburga's Limited

Directors' Report and Financial Statements

for the Year Ended 31 August 2013

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**Faculty of Queen Ethelburga's Limited**  
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**Faculty of Queen Ethelburga's Limited**  
**Company Information**

<b>Directors</b>	B R Martin E Martin F D Martin P Jewitt C J Hall
<b>Company secretary</b>	C J Hall
<b>Registered office</b>	Thorpe Underwood Hall Thorpe Underwood York North Yorkshire YO26 9SZ
<b>Auditors</b>	Watson Buckle LLP Statutory Auditor & Chartered Accountants York House Cottingley Business Park Bradford West Yorkshire BD16 1PE

**Faculty of Queen Ethelburga's Limited**  
**Directors' Report for the Year Ended 31 August 2013**

The directors present their report and the financial statements for the year ended 31 August 2013.

**Directors of the company**

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

B R Martin

E Martin

F D Martin

P Jewitt

C A Griffin (Resigned 31 January 2014)

The following director was appointed after the year end:

C J Hall (appointed 31 January 2014)

**Principal activity**

The principal activity of the company is that of a private school.

**Business review**

***Fair review of the business***

The company has increased its turnover by 4%. The profit on ordinary activities before taxation was £376,133 (2012 £584,820). The Balance Sheet on page 7 of the financial statements shows that the company's financial position is, in terms of net assets and cash, consistent with 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.

**Financial instruments and Principal risks**

***Price risk, credit risk, liquidity risk and cash flow risk***

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.

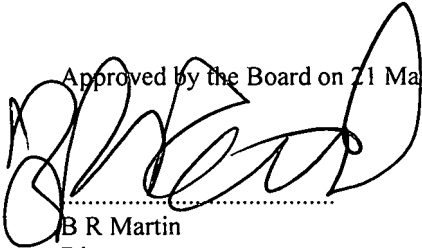
**Faculty of Queen Ethelburga's Limited**  
**Directors' Report for the Year Ended 31 August 2013**

..... *continued*

**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.

Approved by the Board on 21 May 2014 and signed on its behalf by:



.....  
B R Martin  
Director

## **Faculty of Queen Ethelburga's Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Directors' 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 Faculty of Queen Ethelburga's Limited**

We have audited the financial statements of Faculty of Queen Ethelburga's Limited for the year ended 31 August 2013, set out on pages 7 to 16. 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. 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 2013 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

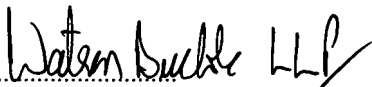
**Independent Auditor's Report to the Members of  
Faculty of Queen Ethelburga's Limited**

*..... continued*

**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.



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

21 May 2014



**Faculty of Queen Ethelburga's Limited**  
**Profit and Loss Account for the Year Ended 31 August 2013**

	Note	2013 £	2012 £
Turnover		13,626,727	13,142,237
Cost of sales		<u>(5,448,967)</u>	<u>(5,363,018)</u>
Gross profit		8,177,760	7,779,219
Administrative expenses		<u>(7,736,210)</u>	<u>(7,185,430)</u>
Operating profit	2	441,550	593,789
Interest payable and similar charges	4	<u>(65,417)</u>	<u>(8,969)</u>
Profit on ordinary activities before taxation		376,133	584,820
Tax on profit on ordinary activities	5	<u>(245,226)</u>	<u>(290,747)</u>
Profit for the financial year	11	<u><u>130,907</u></u>	<u><u>294,073</u></u>

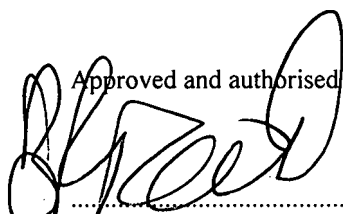
Turnover and operating profit derive wholly from continuing operations.

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

**Faculty of Queen Ethelburga's Limited**  
**Balance Sheet at 31 August 2013**

		2013		2012	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	6		5,219,596		4,655,606
<b>Current assets</b>					
Debtors	7	5,800		-	
Creditors: Amounts falling due within one year	8	<u>(5,000,414)</u>		<u>(4,536,857)</u>	
Net current liabilities			<u>(4,994,614)</u>		<u>(4,536,857)</u>
Total assets less current liabilities			224,982		118,749
Provisions for liabilities			-		<u>(24,674)</u>
Net assets			<u>224,982</u>		<u>94,075</u>
<b>Capital and reserves</b>					
Called up share capital	9	2		2	
Profit and loss account	11	<u>224,980</u>		<u>94,073</u>	
Shareholders' funds	12		<u>224,982</u>		<u>94,075</u>

Approved and authorised for issue by the Board on 21 May 2014 and signed on its behalf by:

  
 .....  
 B R Martin  
 Director

**Faculty of Queen Ethelburga's Limited**  
**Notes to the Financial Statements for the Year Ended 31 August 2013**

**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.

**Going concern**

The financial statements have been prepared on a going concern basis which assumes that ongoing financial support will be provided by other companies within the group and accordingly do not take account of adjustments, if any, which may be necessary if the company is unable to continue as a going concern.

**Turnover**

Turnover represents amounts chargeable in respect of the sale of goods and services to customers.

**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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	25% straight line
Fixtures and fittings	10% straight line
Equipment	25% straight line

**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.

# Faculty of Queen Ethelburga's Limited

## Notes to the Financial Statements for the Year Ended 31 August 2013

..... *continued*

### Pensions

Faculty of Queen Ethelburga's 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 Faculty of Queen Ethelburga's Limited.

The cost of the defined 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:

	2013 £	2012 £
Operating leases - other assets	2,357,504	2,510,175
Auditor's remuneration - The audit of the company's annual accounts	12,100	8,460
Depreciation of owned assets	<u>782,923</u>	<u>631,606</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:

	2013 No.	2012 No.
Administration and support	21	20
Other departments	<u>143</u>	<u>140</u>
	<u>164</u>	<u>160</u>

The aggregate payroll costs were as follows:

	2013 £	2012 £
Wages and salaries	4,268,396	4,089,422
Social security costs	270,807	261,551
Staff pensions	<u>251,697</u>	<u>271,494</u>
	<u>4,790,900</u>	<u>4,622,467</u>

# Faculty of Queen Ethelburga's Limited

## Notes to the Financial Statements for the Year Ended 31 August 2013

..... continued

### 4 Interest payable and similar charges

	2013 £	2012 £
Interest on bank borrowings	6	417
Interest on other loans	65,411	8,552
	<u>65,417</u>	<u>8,969</u>

### 5 Taxation

#### Tax on profit on ordinary activities

	2013 £	2012 £
<b>Current tax</b>		
Corporation tax charge	<u>275,700</u>	<u>266,073</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(29,411)	24,674
Effect of changes in tax rates	<u>(1,063)</u>	<u>-</u>
Total deferred tax	<u>(30,474)</u>	<u>24,674</u>
Total tax on profit on ordinary activities	<u>245,226</u>	<u>290,747</u>

#### Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23% (2012 - 24%).

The differences are reconciled below:

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>376,133</u>	<u>584,820</u>
Corporation tax at standard rate	86,511	140,357
Capital allowances in excess of depreciation	29,411	(24,674)
Change in tax rates	6,759	12,307
Depreciation on fixed assets not qualifying for capital allowances	139,365	128,794
Expenses not deductible for tax purposes	<u>13,654</u>	<u>9,289</u>
Total current tax	<u>275,700</u>	<u>266,073</u>

# Faculty of Queen Ethelburga's Limited

## Notes to the Financial Statements for the Year Ended 31 August 2013

..... continued

### 6 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 September 2012	466,508	4,601,309	219,395	5,287,212
Additions	110,834	1,236,079	-	1,346,913
At 31 August 2013	577,342	5,837,388	219,395	6,634,125
<b>Depreciation</b>				
At 1 September 2012	116,626	460,131	54,849	631,606
Charge for the year	144,335	583,739	54,849	782,923
At 31 August 2013	260,961	1,043,870	109,698	1,414,529
<b>Net book value</b>				
At 31 August 2013	316,381	4,793,518	109,697	5,219,596
At 31 August 2012	349,882	4,141,178	164,546	4,655,606

### 7 Debtors

	2013 £	2012 £
Deferred tax	5,800	-

#### Deferred tax

The movement in the deferred tax asset in the year is as follows:

	£
At 1 September 2012	(24,674)
Deferred tax credited to the profit and loss account	30,474
At 31 August 2013	5,800

#### Analysis of deferred tax

	2013 £	2012 £
Difference between accumulated depreciation and amortisation and capital allowances	5,800	24,674
	5,800	24,674

# Faculty of Queen Ethelburga's Limited

## Notes to the Financial Statements for the Year Ended 31 August 2013

..... continued

### 8 Creditors: Amounts falling due within one year

	2013 £	2012 £
Amounts owed to group undertakings	4,517,340	4,269,584
Corporation tax	481,874	266,073
Accruals and deferred income	1,200	1,200
	<u>5,000,414</u>	<u>4,536,857</u>

### 9 Share capital

#### Allotted, called up and fully paid shares

	2013		2012	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

### 10 Dividends

	2013 £	2012 £
<b>Dividends paid</b>		
Current year interim dividend paid	<u>-</u>	<u>200,000</u>

### 11 Reserves

	Profit and loss account £	Total £
At 1 September 2012	94,073	94,073
Profit for the year	<u>130,907</u>	<u>130,907</u>
At 31 August 2013	<u>224,980</u>	<u>224,980</u>

**Faculty of Queen Ethelburga's Limited**

**Notes to the Financial Statements for the Year Ended 31 August 2013**

*..... continued*

**12 Reconciliation of movement in shareholders' funds**

	<b>2013 £</b>	<b>2012 £</b>
Profit attributable to the members of the company	130,907	294,073
Dividends	-	(200,000)
Net addition to shareholders' funds	130,907	94,073
Shareholders' funds at 1 September	94,075	2
Shareholders' funds at 31 August	<u>224,982</u>	<u>94,075</u>



## Faculty of Queen Ethelburga's Limited

### Notes to the Financial Statements for the Year Ended 31 August 2013

..... continued

#### 13 Pension schemes

##### Defined benefit pension schemes

Faculty of Queen Ethelburga's Limited ("the School") participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £251,697 (2012: £271,494). At the year-end £Nil (2012 - £Nil) was accrued in respect of contributions to this scheme.

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government would be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme - Proposed Final Agreement ("the TPS Agreement"). The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015.

On 31 January 2013, the Department for Education published the outcome of the consultation on further contributions increases that will apply to members of the TPS in financial year 2013-14 as well as the removal of provisions governing scheme valuations and cap and share arrangements. A revised eight tier salary and employee contribution rate structure has been introduced from 1 April 2013 with employee rates varying between 6.4% and 11.2%. Employer contributions will continue for this period at the current rate 14.1%.

On 25 April 2013 the Public Service Pensions Act 2013 was enacted and provides the arrangements for managing the future TPS costs, including a requirement for scheme regulations which must set an employer cost cap which will be required to be in accordance with Treasury directions.

In light of the new arrangements for setting contribution rates the Government has concluded that there is now no need to carry out the currently suspended TPS actuarial review or the cap and share processes.

#### 14 Commitments

##### Operating lease commitments

As at 31 August 2013 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2013 £	2012 £
<b>Land and buildings</b>		
Within one year	-	55,313
Over five years	2,357,504	2,454,862
	<u>2,357,504</u>	<u>2,510,175</u>

## **Faculty of Queen Ethelburga's Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2013**

*..... continued*

#### **15 Related party transactions**

##### **Other related party transactions**

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

##### **The Collegiate Charitable Foundation**

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

Rent of £2,357,504 (2012 - £2,510,175) 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 (2012 - £nil).

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

#### **16 Control**

The company is controlled by its parent company, Buckedge Limited, copies of the financial statements of Buckedge 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.