

**Registered Charity Number: 527598**  
**Registered Company Number: 00602279**

**ABBERLEY HALL LIMITED**

**Annual report and financial statements  
for the year ended 31 August 2019**

# ABBERLEY HALL LIMITED

## Annual report and financial statements for the year ended 31 August 2019

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# ABBERLEY HALL LIMITED

**For the year ended 31 August 2019**

## Reference and Administrative Information

### Status and administration

The School is a charitable company limited by guarantee and was incorporated on 3 April 1958, registered company number 00602279. The charity is registered in England and Wales; charity number 527598. The governing document is the Articles of Association dated 24 June 2019. The School's trading and marketing name is Abberley Hall.

### Charitable objects

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 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.

### Governors

Chairman: J.J.Tanner

A.Goddard	
C.Hope	(resigned 20.06.2019)
A.G.Duncan	
R.M. d'A. Samuda	
M.J.Ware	(resigned 20.06.2019)
S.Dowling	
A.Inglis	(appointed 22.11.2018)
V.J.Orchard	
K.E.Collyer	(appointed 20.06.2019)
K.Metcalf	(appointed 20.06.2019)
G.R.H.Ralphs	(appointed 20.06.2019)
S.Angus	(appointed 20.06.2019)
C.Leonard	(appointed 20.06.2019)
S.Hill	(appointed 20.06.2019)
R.Brierly	(appointed 20.06.2019)

### Constitution of the Governors

The Board of Governors shall be composed of no fewer than 7 and no more than 14 competent persons. At least 3 Governors, and not more than 7, will be nominated by Malvern College and at least 3 Governors, and not more than 7 will be co-opted by existing Governors.

On appointment, Governors will automatically become members of the Charity and holder of shares.

### Officers

Headmaster: W.Lockett

# ABBERLEY HALL LIMITED

For the year ended 31 August 2019

## Reference and Administrative Information (continued)

### Key management personnel

Headmaster:	W.Lockett
Deputy Headmaster:	N.Richardson
Head of Pre-Prep and Nursery:	E.Green
Director of Finance:	K.E.Collyer (Malvern College employee)

### Registered office and principal address

Abberley Hall Limited  
Abberley Hall  
Abberley  
Worcester  
Worcestershire, WR6 6DD

### Professional service providers

#### Bankers:

Lloyds Banking Group PLC  
10-11 High Street  
Stourport-on-Severn  
Worcestershire, DY13 8DA

#### Accountants:

Kendall Wadley LLP  
71 Graham Road  
Malvern  
Worcestershire, WR14 2JS

#### Independent Auditor:

Crowe U.K. LLP  
Carrick House  
Lypiatt Road  
Cheltenham  
Gloucestershire, GL50 2QJ

#### Insurance Brokers:

Marsh Brokers Limited  
Rockwood House  
9-17 Perrymount Road  
Haywards Heath  
West Sussex, RH16 3DU

# **ABBERLEY HALL LIMITED**

## **Report of the Governors for the year ended 31 August 2019**

The Governors present their annual report and the audited financial statements for the year ended 31 August 2019.

Reference and Administrative Information is set out on pages 3 to 4 which forms part of this report. This section also provides details of its constitution and its charitable objects.

### **Chairman's statement**

The UK Independent Education Sector is challenging at present due to economic uncertainty and market conditions putting pressure on pupil recruitment. Subsequent to 31 July 2019, the COVID-19 pandemic arrived and the UK Government has required the School to close all of its buildings and facilities. The Governors have taken the appropriate steps, alongside the School's Senior Management Team, to ensure that educational provision has continued for all our pupils through extensive use of video/digital links which has been well received by our pupils and their parents. We are hopeful that the School will be able to reassemble in September 2020 for the forthcoming academic year. Pupil numbers for 2019/20 start at 200 which is in line with the budget but below both the prior years. These numbers are expected to rise in line with previous trends during the year. Recruitment is challenging but the extensive facilities and excellent academic results are helping the School to remain attractive and competitive.

In June 2019, the School signed an agreement making a formal association with Malvern College. This was the culmination of over two years of discussions and negotiations. It realised the strategic objectives of the Abberley Hall Board of Governors to identify a partner to enhance the strategic development of the School and draw upon the expertise and economies of a larger organisation. The announcement was received very positively by the Abberley and Malvern communities. This significant strategic move opens an exciting new chapter in the School's development.

### **Strategic Report**

#### **Structure, Governance and Management**

##### **Recruitment and training of Governors**

The Directors of the company are also charity Trustees for the purposes of charity law and throughout the report are collectively referred to as the Governors. They are listed on page 3. At least 3 Governors, and not more than 7, will be nominated by Malvern College and at least 3 Governors, and not more than 7 will be co-opted by existing Governors.

All Governors are members of at least one of the sub-committees or have responsibilities for specific aspects of the School to give them an insight into the workings of the School. As part of the induction process, the Governors are made aware of the School's safeguarding policies and receive all Independent Schools' Inspectorate and D of E updates that are sent to the School. Governors receive safe-guarding training every 3 years.

##### **Organisational management**

The Governors hold one ordinary meeting of the Governors in each School term and other such committee meetings also meet termly. The Committee names are Finance & General Purposes, and Education. The School holds an annual general meeting where the financial statements are reviewed and approved. Following the announcement of the association with Malvern College, a Welfare Committee, covering health, safety and safeguarding has been set up.

## **ABBERLEY HALL LIMITED**

### **Report of the Governors for the year ended 31 August 2019 (continued)**

The day-to-day running of the School is delegated to the Headmaster, the Deputy Headmaster and the Head of Pre-Prep and Nursery as the key management personnel. The remuneration of the key management personnel is discussed in detail each year by the Finance & General Purposes Committee, with awareness of industry standards, and approved by the full Board of Governors.

The Headmaster attends meetings of the Malvern College SMT and reports to both the College Management Board and College Council.

#### **Governors' insurance**

The School purchased, and maintained throughout the financial year, insurance to protect the Governors from personal liability.

#### **Related parties**

##### **Abberley Hall Enterprises Limited**

Abberley Hall Enterprises Limited is a company incorporated in England and Wales. Its directors are two governors of Abberley Hall and they are the sole shareholders of Abberley Hall Enterprises Limited. They hold the share as nominees for Abberley Hall Limited. Abberley Hall Enterprises Limited rents the swimming pool from Abberley Hall Limited and makes these facilities available to third party users. The accounts for Abberley Hall Enterprises Limited have previously not been incorporated in to the financial statements of Abberley Hall Limited due to not being material.

##### **Malvern College**

In June 2019, an association between Malvern College and Abberley Hall was agreed. Malvern College will make a substantial financial contribution to the School over the next four years, enabling capital works and a programme of enhancement to be adopted; alongside which it will provide extensive bursarial, administrative, marketing and other support to the School. Representative of Malvern College have joined the Governing body. From 1 September 2019, the results of Abberley Hall Limited will be consolidated into the Malvern College accounts. The first consolidated accounts will be prepared for the year ended 31 July 2020.

#### **Principal risks and uncertainties**

##### **Risk management**

The risks associated with the principal areas of the School's operations are reviewed at Sub-Committee meetings and controls designed to mitigate those risks are agreed and subsequently implemented by the Headmaster. These controls are considered to be adequate.

##### **Price and cost risk**

The School reviews its fees charged to parents on an annual basis. These fees are factored into the School's plans and income forecasts. Salary levels are also set by reference to the School's plans and income forecasts as well as to prevailing market rates, specifically in the Education sector for the academic staff. These are communicated to staff each year during the annual salary review process. Other costs are controlled by contract negotiations and competitive tendering with suppliers.

The key current risks identified and being managed by the School are the failure to meet budgeted pupil numbers and the associated impact upon financial performance, and to ensure that future pupil numbers are in line with the Development Plan. Both risks have been managed by a regular review of the requirements resulting in a co-ordinated approach from all parties of the School to ensure pupil retention and recruitment are prioritised.

# **ABBERLEY HALL LIMITED**

## **Report of the Governors for the year ended 31 August 2019 (continued)**

### **Aims, strategies and objectives**

Abberley Hall aims to provide a first-class education in a secure, caring and disciplined environment, where every pupil can fulfil his or her unique potential – academically, creatively, physically, socially and spiritually. Whilst Abberley is distinct in its emphasis on full boarding, it offers a flexible range of boarding and day pupil options.

In order to meet these aims the School is committed to:

- Providing a broad and balanced curriculum that values academic excellence, but also attaches great importance to effort, enthusiasm and enjoyment in all areas of learning and activity;
- Promoting the welfare of every pupil by developing their confidence and self-esteem, giving them responsibility and opportunities to exercise leadership, helping them to develop mature attitudes and preparing them for their Senior Schools and adult lives;
- Building a strong sense of community in which all feel valued and respected, where each has a contribution to make and where there is a growing awareness of our common responsibility for the wider world in which we live and especially our environment. The boarding culture particularly instils a sense of community and the value of contribution and participation.
- Focusing on the individual child and thus providing the support and encouragement to help each one develop beyond expectations. This focus is seen in our 1:1 personal tutoring system, small class sizes and evidenced by the high number of scholarships and exhibitions which are awarded each year by our pupils' Senior Schools of choice.

Whilst Abberley Hall is a School where Christian values, ideals and practice are considered to be important, for example attendance in the School Chapel occurs four times per week, and Sunday services happen throughout the School year, in implementing these aims and objectives, it also values diversity and warmly welcomes pupils of other faiths.

The School is registered as a Charitable Company under the direction of a Board of Governors. The Headmaster is a member of the Independent Association of Preparatory Schools (IAPS), the leading professional association for Heads of Independent Preparatory Schools.

### **Review of the year**

Abberley Hall provides a safe, secure environment for children to achieve their potential in any given field. The School aims to educate children in a familiar, friendly, supportive and encouraging environment where they can be treated as individuals but learn to live in a community. The emphasis is on building confidence, developing talent and maximising potential.

The number on the Roll at the start of the 2018/2019 academic year was 215 (2017/18: 231), numbers at the end of the year were 225 (2018: 256), an increase of 10 during the year (2018: 25). Given the current climate for Schools of our type this was an acceptable achievement.

These in-year increases were achieved by recruiting five pupils into Prep and five pupils into the Pre-prep.

In order to increase pupil numbers going forward the School will work with Malvern College and continue with its programme of positive and active marketing and drawing upon the expertise now available to it.

# **ABBERLEY HALL LIMITED**

## **Report of the Governors for the year ended 31 August 2019 (continued)**

### **Review of the year (continued)**

#### **Academic**

The School strives for academic excellence for each child to provide help and support to enable them to achieve their best and reach their potential. The pupils are prepared thoroughly for the next stage of their education, equipping children with essential life skills: hard work, tolerance, kindness, pride in themselves, resilience and enthusiasm.

The work ethic throughout the School has continued to be excellent, as evidenced by the weekly effort grades and interim reports. All our Year 8 candidates reached their first choice of Senior Schools and we continue to maintain strong links with the major public Schools. A real breadth of choice was seen with 12 different destination Schools being selected.

Our scholarship success has been strong with a total of 9 being awarded this year. This is lower than usual but is in keeping with the size of the cohort. The awards included 2 Academic, 1 Sport, 2 in Art, 2 in Music, 1 All-Rounder, and 1 in DT. These were shared between 7 different children and between 4 different Schools: Shrewsbury, Kings School Worcester, Malvern College and Ampleforth.

#### **Pastoral**

The School places a strong emphasis on pastoral care which is evidenced in every aspect of School life. The 1:1 tutor system in the top three year groups provides a strong foundation and support mechanism for each child. The School provides specialist support for pupils experiencing emotional, behavioural or social difficulties. Work has begun to further develop a 'safe'/go to area, a Buddy Bench, Pupil Voice boxes, and School council meetings.

#### **Sport**

The School offers a minimum of 6 days of sport per week to pupils in Year 4 upwards. One of these afternoon sessions is a programme of Outdoor Education, making use of the grounds. Sports include rugby, hockey, netball, football, cricket, athletics, tennis, cross country running, swimming, horse riding, cycling, fencing and shooting.

Such a frequent and generous allocation of coaching and match play time (twice a week), encourages the pupils to improve their skills and benefit from the educational aspect of team sport: developing team-work, confidence, learning from failure as well as success; exceeding expectations and developing resilience.

#### **Extra-curricular**

Abberley Hall prides itself on the great range of extra-curricular activities available to all pupils. These include specialist art and Design Technology (DT) activities, music performances, bee keeping, fencing, debating, climbing, theatre trips and the School Newspaper.

### **Public Benefit Charitable and Community Activities**

#### **Bursaries and assisted places**

The School offers bursaries and assisted places to children dependent upon a wide range of criteria and need. The School policy is to make these awards in order to widen access to education to those who might be unable to pay for it and as such these are means tested.

#### **Hire and permitted use of facilities**

The School allows a wide range of groups to use the School's facilities and grounds. These may be subject to a hire fee or in some circumstances may be offered free of charge. This supports the local community, especially children and young people. Groups who benefit from this support include cubs, scouts, the local cricket club, the local angling club, as well as local Schools who hire the indoor



# **ABBERLEY HALL LIMITED**

## **Report of the Governors for the year ended 31 August 2019 (continued)**

### **Public Benefit Charitable and Community Activities (continued)**

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. The School also organises a series of holiday activities which are open to all.

Abberley Hall provides work experience opportunities and placements for a number of young people and has supported Worcester University by offering places to student teachers.

### **Raising funds for charities**

The School has a history of supporting both local and international charities. This happens throughout the School year, either through specific appeals, or child and parent led events. The major fund raiser is an endurance cycle ride the Year 8s do annually cycling over 100 miles in one day. Charities supported this year include Children in Need, The Poppy Appeal, The Treloar Trust, Walking with the Wounded and Wear Red for Zac.

### **Heritage**

The School has a responsibility for maintaining the historical buildings; 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. Over the last ten years restoration projects have included the water garden, the Ice House, Lime Kiln and Front Gates, as well as the replanting of the Victorian Orchard. The grounds staff are responsible for these areas and the woodland is well managed with areas being regularly replanted with appropriate trees. The School does allow limited access to the general public to the Clock Tower, its principal heritage asset. During the year the Clock Tower and Hall were opened for visits by the public on several occasions.

### **Links with local maintained Schools and activities for children**

The School actively promotes the development of stronger links with local maintained Schools. Activities include the hiring of the swimming pool to 7 local primary Schools and guided tours of the historic features of the Abberley estate. Pupils from Great Witley Primary School and Abberley Parochial School were invited and some chose to join the cast of our Yr 5 Play in the Autumn Term. Both Schools were also included in the Centenary Poppy Installation, making poppies for the display.

### **Involvement with the Local Community**

As well as the local scout group camping in the grounds in the early summer, our Sunday Chapel Services are open to the local community 12 times per year and the Swimming Pool is a convenient and popular amenity for local users. Our Pre-prep deliver Harvest Festival donations to organisations and at Christmas the Pre-Prep pupils visit a local old people's home to sing carols. The Chapel Choir have sung Evensong services in Worcester Cathedral.

The Governors considers that the School has complied with their duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England. This is evidenced above and through the report.

### **Policies**

The Senior Management Team (SMT) annually review all of the School's policies, including; Headmaster's Guidelines, Staff Guidelines, Academic, Pastoral, Health and Safety, Boarding and EYFS.

Policies have been uploaded onto the School's website and the documentation page of the ISI website as required. On notification of any regulatory updates from the Independent Schools Inspectorate (ISI) or Department for Education (DfE), these policies were updated in order to maintain compliance. This continues to be the case and is reported as such to the Governors.

# ABBERLEY HALL LIMITED

## Report of the Governors for the year ended 31 August 2019 (continued)

### Policies (continued)

No formal complaints were received during the year.

### Financial review

The result for the year is a deficit of £289,860 (2018: deficit £287,094, which includes a depreciation charge of £84,832 (2018: £133,603)). The underlying operational result (before taking into account this item) was a deficit of £205,028 (2018: deficit of £153,491).

For the year 2018/19 trading was broadly in line with budget. The School incurred additional extraordinary costs of circa £40,000 arising from the establishment of the association with Malvern College.

The Governors have formed a working group to focus on additional income generation and cost savings initiatives in order to reduce the losses in the short term and return the School to a surplus in the next three years.

The School's infrastructure will benefit significantly from the Malvern College association in the coming years and as the support functions are enhanced by the benefits of membership of being part of the Malvern family of Schools.

### Reserves

Total reserves are £4,918,735 (2018: £5,208,595). Of the total unrestricted funds of £4,906,558 (2018: £5,206,595), £5,636,475 (2018: £5,670,521) comprises fixed assets, leaving negative free reserves of £729,917 (2018: £463,926). Restricted funds are £12,177 (2018: £2,000).

The Governors are aware of the negative free reserves. The policy is to build up free reserves to meet future capital expenditure requirements as they are identified to maintain the standard of educational services currently provided. The support of Malvern College and the development and implementation of a revised business development plan will ensure that there are sufficient reserves to meet the future plans and ongoing trading of the School.

### Plans for future periods

The Headmaster and SMT reviews the School's strategic framework regularly and report on such to the Governors for discussion and approval. The current plans cover up to 2020 and a full strategic review and updated strategic plan will be prepared during the 2019-20 academic year.

This strategic plan will include academic, pastoral and campus development matters as well as providing clear guidance on the capital expenditure required to deliver this strategy over the next 5 years.

Governors have constructive and positive oversight of the development projects and this results in rapid progress in the enhancement of the campus and associated facilities.

The key objectives representing the fundamental foundations of the School development that were set out in the strategy, as updated for recent developments, are:

#### a) Academic Development:

All at the School aim to:

- Continue to provide a leading academic programme with a focus on innovative teaching and learning, not least, through the appointment of the most able teachers available and through ongoing training of the staff.
- Improving thinking skills in order to maximise every child's learning potential.

## **ABBERLEY HALL LIMITED**

### **Report of the Governors for the year ended 31 August 2019 (continued)**

#### **Plans for future periods (continued)**

- Recognise the importance of updating the new teaching technologies thus providing immediate and future educational benefit.
- Ensure that teachers' time and the resources available to them are most efficiently utilised.

#### b) Pastoral Development:

All at the School aim to:

- Develop and enhance a programme within the School that will help all involved at the School to understand the need for strong community links within and beyond the School.
- Make use of every opportunity to help produce positive relationships with others.
- Ensure that staff training is appropriate and up to date in order to promote the highest standards of pastoral care.

#### c) Facilities Development:

The School is fortunate to have a real breadth of facilities across its 90 acre estate. This enhances the whole educational experience for the children and provides the staff with a tremendous platform from which they provide excellent levels of care and education. Future investment in the existing facilities will ensure that these facilities, in particular the older sections of the School, are refurbished to a very high standard in order to achieve a high impact/low cost position.

#### **Risk management and key risks**

Responsibility for the management of the risks faced by the School is assigned to the Headmaster and the Senior Management Team (SMT) by the Governors. At each termly Main Board meeting the Governors review the primary risks thought most likely to have the greatest effect on the School and the action taken to mitigate those risks to an acceptable level.

In light of the current climate in relation to the COVID-19 pandemic the Governors believe that the School's financial resources and contingency planning is sufficient to ensure the ability of the School to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements.

The long-term viability of the School can only be assured through the maintenance of strong pupil numbers across each section of the School, Pre Prep, Prep and Boarding. This is an area of focus for the Headmaster and SMT. Affordability continues to be a key risk to this School and the sector.

Recognition is also needed of the market trends away from boarding Schools for younger pupils, and the need for greater flexibility in this area, while continuing to take into account the needs and expectations of the overseas and long-distance market.

The School's reputation is a critical factor in recruiting pupils and new staff, and a historic abuse case has been in the public eye this year. There is a risk that misunderstanding of historic events may impact upon current perceptions of our Safeguarding culture. There is also a risk of legal action against the School. The Governors and headmaster have worked closely on managing this risk as much as possible and have taken professional advice where relevant.

#### **Statement of Governors' responsibilities**

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that

## **ABBERLEY HALL LIMITED**

### **Report of the Governors for the year ended 31 August 2019 (continued)**

#### **Statement of Governors' responsibilities (continued)**

they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

#### **Statement on the Charity Governance Code**

As the School is a not for profit organisation which aims to follow charity sector best practice, the Governors are familiarising themselves with the updated version of the Charity Governance Code (the "Code") published in July 2017. While the School is not currently compliant with the Code, the Governors consider that the School's governance framework does align with many aspects of the Code. An in-depth review of the Code and consequential changes to the School's governance and standards will be carried out in 2020, with a view to the School becoming fully compliant with the Code.

#### **Statement on Fundraising**

All fundraising activities for the School are carried out by the School staff with assistance from the parents and pupils with the running of specific fundraising events. The School does not use professional fundraisers or have any commercial participators. All fundraising activities are managed by the Headmaster with oversight by the members of the governing body.

No complaints relating to fundraising activities have been received by the School during the financial period. However, the School has in place procedures that would be followed in the event of a complaint being received with the initial response being the responsibility of the bursar. Any continuing issues would then be passed to the governing body to determine what further action might be required.

The School does not currently subscribe to any specific fundraising standards or schemes for fundraising regulation but considers that it has set appropriate standards for the operation and management of its fundraising activities. In particular, the School considers that its processes and controls should ensure that vulnerable people and other members of the public are protected from any unreasonable intrusion on a person's privacy and that no fundraising activities would be unreasonably persistent or place undue pressure on a person to give money or property.

# **ABBERLEY HALL LIMITED**

## **Report of the Governors for the year ended 31 August 2019 (continued)**

### **Statement on disclosure of information to the auditor**

Insofar as each of the Governors, as directors of the charitable company, at the date of approval of this report is aware there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware. Each member of the Governing Body has taken all steps that he or she should have taken as a member of the Governing Body in order to make himself or herself aware of the relevant audit information and to establish that the company's auditor is aware of that information.

### **Independent Auditor**

Crowe U.K. LLP have indicated their willingness to accept their reappointment and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board of Governors, the Report of the Governors, including the Strategic Report, was authorised on 26 August 2020 by

A handwritten signature in black ink, appearing to read 'C A P Leonard', is written over a light grey dotted grid background.

**C A P Leonard  
Governor and Chairman**

# **ABBERLEY HALL LIMITED**

## **Independent Auditor's Report to the Governors of Abberley Hall Limited**

**Year ended 31 August 2019**

### **Opinion**

We have audited the financial statements of Abberley Hall Limited for the year ended 31 August 2019 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The Governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **ABBERLEY HALL LIMITED**

### **Independent Auditor's Report to the Governors of Abberley Hall Limited**

#### **Year ended 31 August 2019**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our audit:

- the information given in the Report of the Governors, which includes the Directors' report and the Strategic report, prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report included within the Report of the Governors has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors.

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

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

#### **Responsibilities of the Governors**

As explained more fully in the Governors' responsibilities statement set out on page 11, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

# ABBERLEY HALL LIMITED

## Independent Auditor's Report to the Governors of Abberley Hall Limited

Year ended 31 August 2019

### Auditor's responsibilities for the audit of the financial statements

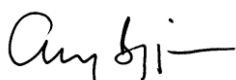
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Governors, 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 Governors 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 charitable company and the Governors as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin

**Senior Statutory Auditor**

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

Carrick House

Lypiatt Road

Cheltenham

Gloucestershire

GL50 2QJ

Date: 26 August 2020



# ABBERLEY HALL LIMITED

## Statement of Financial Activities (including income and expenditure account) for the year ended 31 August 2019

	Notes	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Restated Total £
<b>INCOME FROM:</b>					
<b>Charitable activities</b>					
School fees	2	3,044,327	-	<b>3,044,327</b>	3,136,186
Ancillary trading income	3	322,056	-	<b>322,056</b>	376,146
<b>Trading activities</b>	3	347,653		<b>347,653</b>	323,447
<b>Donations</b>	4	748	25,170	<b>25,918</b>	23,480
<b>TOTAL INCOME</b>		3,714,784	25,170	<b>3,739,954</b>	3,859,259
<b>EXPENDITURE ON:</b>					
<b>Raising funds</b>					
Financing costs	5	14,765	6,493	<b>21,258</b>	4,695
<b>Charitable Activities</b>					
Provision of Education	5	3,985,611	8,500	<b>3,994,111</b>	4,014,122
Other		14,445	-	<b>14,445</b>	127,536
<b>TOTAL EXPENDITURE</b>		4,014,821	14,993	<b>4,029,814</b>	4,146,353
<b>Net (expenditure)/income and net movement in funds</b>	6	(300,037)	10,177	<b>(289,860)</b>	(287,094)
<b>RECONCILIATION OF FUNDS</b>					
Fund balances b/f 1 September	14	5,206,595	2,000	<b>5,208,595</b>	5,495,689
<b>Fund balances c/f 31 August</b>	14	4,906,558	12,177	<b>4,918,735</b>	5,208,595

The notes on pages 19 to 32 form part of the financial statements.

# ABBERLEY HALL LIMITED

Balance Sheet as at 31 August 2019

Company number: 00602279

		2019	Restated
		£	2018
			£
<b>Fixed assets:</b>			
Tangible assets	8	5,636,475	5,670,521
<b>Total fixed assets</b>		<b>5,636,475</b>	<b>5,670,521</b>
<b>Current assets:</b>			
Stocks	9	34,481	56,736
Debtors	10	424,954	511,645
Cash at bank & in hand		29,221	6,227
<b>Total current assets</b>		<b>488,656</b>	<b>574,608</b>
<b>Liabilities:</b>			
<b>Creditors:</b> amounts falling due within one year	11	<b>(981,369)</b>	(812,309)
<b>Net current liabilities</b>		<b>(492,713)</b>	(237,701)
<b>Total assets less current liabilities</b>		<b>5,143,762</b>	<b>5,432,820</b>
<b>Creditors:</b> amounts falling due after more than one year	12	<b>(225,027)</b>	(224,225)
<b>Total net assets</b>		<b>4,918,735</b>	<b>5,208,595</b>
<b>The funds of the charity:</b>			
<b>Restricted funds</b>	14	<b>12,177</b>	2,000
<b>Unrestricted funds</b>	14	<b>4,906,558</b>	5,206,595
<b>Total charity funds</b>		<b>4,918,735</b>	<b>5,208,595</b>

The financial statements on pages 16 to 32 were approved and authorised for issue by the board of Governors on 26 August 2020 and were signed on its behalf by:



**C A P Leonard**  
Governor

The notes on pages 19 to 32 form part of the financial statements.

# ABBERLEY HALL LIMITED

## Statement of Cash Flows for the year ended 31 August 2019

	Notes	2019		Restated 2018	
		£	£	£	£
<b>Cash flows from operating activities:</b>					
<b>Net cash (used in)/provided by operating activities</b>	17		<b>(11,261)</b>		66,383
<b>Cash flows from investing activities:</b>					
Purchase of tangible fixed assets		<b>(50,786)</b>		(41,798)	
Proceeds on disposal of tangible fixed assets		-		250,941	
<b>Net cash outflow from investing activities</b>			<b>(50,786)</b>		209,143
<b>Change in cash and cash equivalents in the reporting period</b>	18		<b>(62,047)</b>		275,526
<b>Cash and cash equivalents at the beginning of the reporting period</b>	18		<b>(176,565)</b>		(452,091)
<b>Cash and cash equivalents at the end of the reporting period</b>	18		<b>(238,612)</b>		(176,565)

The notes on pages 19 to 32 form part of the financial statements.

# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 August 2019

### Charity information

Abberley Hall Limited is a private company incorporated in England and Wales (company no: 00602279). Abberley Hall Limited is registered as a charity with the Charity Commission England and Wales (charity no: 527598). Its registered and principal office is Abberley Hall, Abberley, Worcester, Worcestershire, WR6 6DD.

### 1 Principal accounting policies

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006. The results of the subsidiary, Abberley Hall Enterprises Limited are not consolidated due to not being material.

Abberley Hall Limited meets the definition of a public benefit entity under FRS 102.

#### Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

The functional and presentational currency of the Charity is considered to be GBP because that is the currency of the primary economic environment in which the Charity operates.

#### Going concern

The Governors have considered the School's financial forecasts to assess the School's ability to meet its liabilities as they fall due. They have considered the expectations of pupil numbers, forecast School operating costs and current assets and the positive impact of the new arrangement with Malvern College and do not believe there are material uncertainties over the School's ability to continue as a going concern. Accordingly the accounts have been prepared on a going concern basis.

In light of the current climate in relation to the COVID-19 pandemic the Governors have undertaken planning and forecasting and continue to closely monitor the developing situation. Despite the current circumstances the Governors believe that the School's financial resources and contingency planning is sufficient to ensure the ability of the School to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

#### Donations

Donations are accounted for when receivable.

#### Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the year in which the service is provided. Fees receivable are stated after deducting allowances, scholarships, grants, bursaries and exhibitions allowed by the School.

#### Trading and Ancillary trading income

All trading and ancillary trading income is accounted for in the period in which the income is earned.

#### Final term deposits

Final term deposits are deposits placed when pupils join the School which are offset against the disbursements due for the last term each pupil attends. All deposits are classified as creditors, and are treated as deferred revenue.

# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 August 2019 (continued)

### 1 Principal accounting policies (continued)

#### **Expenditure**

Expenditure is accrued as soon as a liability is considered probable. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. There are no costs which cannot be directly attributed to particular headings.

#### **Bursaries, grants and allowances payable**

Grants from restricted funds are included as expenditure in the period for which the award is given. Bursaries and allowances from unrestricted funds towards School fees at the School are treated as a reduction in those fees.

#### **Support costs**

Support costs include central function and governance costs. The governance costs comprise the cost of external audit and the costs of Governors' meetings.

#### **Irrecoverable VAT**

Any irrecoverable VAT is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, where appropriate.

#### **Fund accounting**

Unrestricted funds are available for use at the discretion of the Governors in furtherance of the general objectives of the School and have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### **Pension costs**

The School contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and advised to the Governors by the Scheme Administrator. This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS 102, the scheme is accounted for as if it were a defined contribution scheme. Accordingly, the School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

The School also contributes to one defined contribution scheme for non-teaching staff. Amounts paid in relation to this scheme are charged to the Statement of Financial Activities when they fall due. All pension costs are allocated to unrestricted funds.

#### **Tangible fixed assets**

Assets with a cost below £1,000 are not capitalised.

#### **Terminations costs policy**

Termination benefits are recognised immediately as an expense when committed to terminate the employment of an employee or to provide termination benefits.

#### **Operating lease policy**

Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease terms.

# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 August 2019 (continued)

### 1 Principal accounting policies (continued)

#### Depreciation

Land is not depreciated. Depreciation of other assets is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. Fixed Assets are not depreciated until they are brought into use. The principal annual rates, applied on a straight line basis on other assets, used for this purpose are:

	%
Buildings	1
Fixtures & fittings	10
Grounds equipment	10
Computers and other equipment	50

Buildings are subject to an annual impairment review.

#### Stocks

Stocks comprise food stores, uniform and stationery which are stated the lower of cost and net realisable value less any impairment.

#### Debtors

Short term debtors are initially measured at transaction price, less any impairment. Prepayments are recorded at the amount prepaid.

#### Cash

Cash is represented by cash in hand and deposits with financial institutions.

#### Creditors

Short term creditors are initially measured at the transaction price.

#### Basic financial instruments

Abberley Hall Limited has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### Prior period misstatements

Prior period misstatements are corrected by restating the comparative amounts for the prior period in which the error occurred.

#### Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where these estimates and judgements have been made include the following:

#### Useful economic lives of tangible fixed assets

The annual depreciation charges for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of the tangible fixed assets and note 1 for the useful lives for each class of assets.

# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 August 2019 (continued)

### 1 Principal accounting policies (continued)

#### Impairment of debtors

The School makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 10 for the net carrying amount of the debtors and note 10 for the associated impairment provision.

### 2 School fees

<b>The School's tuition fee income comprised:</b>	<b>Year ended 31 August 2019</b>	<b>Restated Year ended 31 August 2018</b>
	<b>£</b>	<b>£</b>
Gross fees	<b>3,697,784</b>	3,881,870
Less: scholarships, bursaries etc	<b>(638,757)</b>	(735,959)
Less: commission	<b>(14,700)</b>	(9,725)
	<b>3,044,327</b>	3,136,186

### 3 Other income

	<b>Year ended 31 August 2019</b>	<b>Restated Year ended 31 August 2018</b>
	<b>£</b>	<b>£</b>
<b>Trading activities</b>		
French chalet income	<b>25,048</b>	47,677
Lettings and other income	<b>249,017</b>	233,529
Uniform shop	<b>14,619</b>	19,815
Miscellaneous income	<b>58,969</b>	22,426
	<b>347,653</b>	323,447
<b>Ancillary trading income</b>		
Fees for extracurricular activities	<b>275,002</b>	314,801
After School care	<b>9,784</b>	8,091
Supported learning fees	<b>37,270</b>	53,254
	<b>322,056</b>	376,146

# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 August 2019 (continued)

### 4 Donations

	Year ended 31 August 2019	Year ended 31 August 2018
	£	£
Restricted donations and gifts	6,493	-
Unrestricted donations and gifts	19,425	23,480
	<b>25,918</b>	23,480

### 5 Expenditure

	Staff costs £	Other costs £	Depreciation £	Year ended 31 August 2019 £	Restated Year ended 31 August 2018 £
<b>Raising funds</b>					
Fundraising and publicity	-	21,258	-	21,258	4,695
Total	-	21,258	-	21,258	4,695
<b>Charitable activities</b>					
Teaching	1,759,706	57,253	-	1,816,959	1,937,102
Welfare	337,634	320,946	-	658,580	741,864
Premises	142,495	360,633	70,200	573,328	495,085
Extracurricular activities	125,034	260,455	-	385,489	396,106
Support costs of Schooling	134,055	411,068	14,632	559,755	443,965
Provision of Education	2,498,924	1,410,355	84,832	3,994,111	4,014,122
<b>Total expenditure</b>	2,498,924	1,431,613	84,832	4,015,369	4,018,817

Included within support costs are governance costs of £137,402 (2018: £100,761) which mainly comprise the costs of administering the charity, professional costs, legal costs and audit fees. Professional fees of £40k were incurred in relation to the agreement of the new association with Malvern College.



# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 August 2019 (continued)

### 6 Net expenditure for the year

	Year ended 31 August 2019	Restated Year ended 31 August 2018
	£	£
<b>Net expenditure for the year is stated after charging:</b>		
Auditor's remuneration for audit	7,960	10,200
Auditor's remuneration for other assurance engagements	-	6,810
Depreciation/fixed asset write-off – owned assets	<b>84,832</b>	133,603

### 7 Employee & Governor information

	Year ended 31 August 2019	Year ended 31 August 2018
	Number	Number
The monthly average headcount of persons employed by the School during the year was:		
Teaching	49	48
Pastoral	28	30
Domestic	21	22
Administration	5	6
	<b>103</b>	106

#### Staff Costs

	Year ended 31 August 2019	Year ended 31 August 2018
	£	£
Wages & Salaries	2,110,159	2,195,655
Social Security costs	179,480	196,268
Other Pension costs (note 15)	209,285	225,427
Total	<b>2,498,924</b>	2,617,350

The number of employees whose emoluments exceeded £60,000 was:

	Year ended 31 August 2019	Year ended 31 August 2018
	Number	Number
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-

For those staff whose emoluments exceed £60,000 pension contributions amounting to £13,381 (2018: £27,642) were paid by the School. None of the Governors received any remuneration during the current year (2018: none). No Governors received reimbursement for travel expenses (2018: none).

# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 August 2019 (continued)

	Year ended 31 August 2019	Restated Year ended 31 August 2018
	£	£
Senior Management Team Remuneration	<b>325,053</b>	224,433

The amount stated above is including pension and employers' national insurance.

During the year, the Charity made redundancy/termination payments amounting to £16,550 (2018: £nil).

### Governors

During the year, three Governors (2018: four Governors) had four children (2018: six children) attending the School. The School charged them a total of £94,365 (2018: £134,560) for School fees and £11,851 (2018: £22,921) for extras and disbursements. Remissions and discounts of £5,499 (2018: £11,894) were granted against the full fees charged. All fee concessions were awarded on an arms-length basis.

## 8 Tangible fixed assets

	Freehold land and buildings	Grounds and computer equipment	Furniture, Fixtures, fittings and plant	Total
	£	£	£	£
<b>At cost</b>				
At 31 August 2018 (Restated)	5,576,520	486,553	117,703	6,180,776
Additions	-	17,422	33,364	50,786
<b>At 31 August 2019</b>	<b>5,576,520</b>	<b>503,975</b>	<b>151,067</b>	<b>6,231,562</b>
<b>Accumulated Depreciation</b>				
At 31 August 2018 (Restated)	-	362,230	41,425	403,655
Restatement to prior year	106,600	-	-	106,600
Charge in the year	53,000	17,200	14,632	84,832
<b>At 31 August 2019</b>	<b>159,600</b>	<b>379,430</b>	<b>56,057</b>	<b>595,087</b>
<b>Net book values</b>				
<b>At 31 August 2019</b>	<b>5,416,920</b>	<b>124,545</b>	<b>95,010</b>	<b>5,636,475</b>
At 31 August 2018 (Restated)	5,469,920	124,323	76,278	5,670,521

The Freehold land and buildings were revalued at £5,330,000 (2018: £5,330,000) at 1 June 2016, on a freehold basis with vacant possession, by valuers Christie's. Depreciation was not applied from 1 June 2016, it has therefore been necessary to correct this retrospectively in this year's accounts. At 31 August 2019, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £3,972,355 (2018: £4,089,603).

The revaluation surplus is disclosed on the balance sheet in unrestricted general funds. Following the

## ABBERLEY HALL LIMITED

revaluation of the Freehold Land and Buildings it was incorrectly assumed that the French Chalet was included in the revaluation. It has therefore been necessary to restate the opening cost to include the French Chalet at cost.

### Notes to the financial statements for the year ended 31 August 2019 (continued)

#### 9 Stocks

	<b>31 August 2019</b>	31 August 2018
	£	£
Heating oil	<b>5,425</b>	8,008
Gas	<b>1,948</b>	1,948
School uniforms	<b>23,304</b>	44,275
Food	<b>3,804</b>	2,505
	<b>34,481</b>	56,736

Stocks are stated after impairment provisions totalling £15k (2018: £nil).

#### 10 Debtors

	<b>31 August 2019</b>	Restated 31 August 2018
	£	£
School fees	<b>345,331</b>	312,374
Other debtors	<b>33,682</b>	167,135
Prepayments	<b>45,941</b>	32,136
	<b>424,954</b>	511,645

Debtors are stated after impairment provisions totalling £27k (2018: £86k). Other debtors include £186,617 (2018: £164,113) owed by Abberley Hall Enterprises Limited at the year end which have been fully provided for (2018: £60,000).

# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 August 2019 (continued)

### 11 Creditors: amounts falling due within one year

	31 August 2019	Restated 31 August 2018
	£	£
Bank overdraft	267,833	182,792
Trade creditors	189,374	168,659
Advanced fees	328,898	328,898
Taxation and social security	44,363	61,917
Other creditors	39,945	36,746
Entrance fee deposits	14,200	
Accruals	96,756	33,297
	<b>981,369</b>	<b>812,309</b>

Lloyds Bank Plc hold 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 £5,330,000 (2018: £5,330,000).

Lloyds Bank Plc also holds a fixed and floating charge over 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 £267,833 (2018: £182,792).

### 12 Creditors: amounts falling due after more than one year

	31 July 2019	Restated 31 July 2018
	£	£
Entrance fee deposits	64,535	-
Fees in advance scheme	160,492	224,225
	<b>225,027</b>	<b>224,225</b>

### 13 Financial instruments

	2019	Restated 2018
	£	£
Financial assets measured at settlement value (a)	408,093	485,736
Financial liabilities measured at settlement value (b)	593,908	421,494

(a) Financial assets measured at settlement value comprise cash, fee debtors, other debtors (including staff loans) and accrued income.

(b) Financial liabilities measured at settlement value comprise trade creditors, accruals and other creditors and finance leases.

Impairment losses charged to financial assets measured at settlement value in the year amounted to £27k (2018: £86k).

# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 August 2019 (continued)

### 14 Funds

	Restated At 1 September 2018	Income	Expenditure	At 31 August 2019
	£	£	£	£
<b>Restricted funds</b>				
Prize fund	2,000	-	-	<b>2,000</b>
Grounds development	-	1,620	-	<b>1,620</b>
Parents Events Committee (PEC)	-	23,550	(14,993)	<b>8,557</b>
	2,000	25,170	(14,993)	<b>12,177</b>
<b>Unrestricted funds</b>				
School fund	5,206,595	3,714,784	(4,014,821)	<b>4,906,558</b>
<b>Total charity funds</b>	<b>5,208,595</b>	<b>3,739,954</b>	<b>(4,029,814)</b>	<b>4,918,735</b>

Prize Fund: funds received for the financing of prizes awarded to pupils during their time at the School.  
Grounds development: funds received from Natural England Higher-Level Stewardship Scheme and Abberley Hall Foundation for the restoration of house and grounds.

Parents Events Committee (PEC): funds received from fundraising and summer ball for the costs of the summer ball and renovation costs of the summer house.

### 14a Comparative Funds (Restated)

	At 1 September 2017	Income	Expenditure	At 31 August 2018
	£	£	£	£
<b>Restricted funds</b>				
Prize fund	2,000	-	-	<b>2,000</b>
Grounds development	-	23,480	(23,480)	-
	2,000	23,480	(23,480)	<b>2,000</b>
<b>Unrestricted funds</b>				
School fund	5,493,689	3,835,779	(4,122,873)	<b>5,206,595</b>
<b>Total charity funds</b>	<b>5,495,689</b>	<b>3,859,259</b>	<b>(4,146,353)</b>	<b>5,208,595</b>

Prize Fund: funds received for the financing of prizes awarded to pupils during their time at the School.  
Grounds development: funds received from Natural England Higher-Level Stewardship Scheme and Abberley Hall Foundation for the restoration of house and grounds.

## ABBERLEY HALL LIMITED

### Notes to the financial statements for the year ended 31 August 2019 (continued)

#### 15 Analysis of the net assets between funds

The net assets are held for the various funds as at 31 August 2019 as follows:

<b>Net assets of the School's funds</b>	<b>Fixed assets</b>	<b>Net current liabilities</b>	<b>Long term liabilities</b>	<b>Fund balances</b>
	£	£	£	£
Restricted funds	-	12,177	-	<b>12,177</b>
Unrestricted funds	5,636,475	(504,890)	(225,027)	<b>4,906,558</b>
	<b>5,636,475</b>	<b>(492,713)</b>	<b>(225,027)</b>	<b>4,918,735</b>

#### 15a Comparative Analysis of the net assets between funds (Restated)

The net assets are held for the various funds as at 31 August 2018 as follows:

<b>Net assets of the School's funds</b>	<b>Fixed assets</b>	<b>Net current assets</b>	<b>Long term liabilities</b>	<b>Fund balances</b>
	£	£	£	£
Restricted funds	-	2,000	-	<b>2,000</b>
Unrestricted funds	5,670,521	(463,926)	-	<b>5,206,595</b>
	<b>5,670,521</b>	<b>(461,926)</b>	-	<b>5,208,595</b>

#### 16 Pensions

##### Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £193,848 (2018: £206,701) and at the year-end £nil (2018: £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' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). 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 by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to

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### Notes to the financial statements for the year ended 31 August 2019 (continued)

the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

#### Other pension schemes

The School has contributed to three defined contribution pension scheme on behalf of its employees. The cost to the School of these schemes for the year to August 2019 is £15,437 (2018: £18,726).

### 17 Reconciliation of cash flows from operating activities

	2019	Restated 2018
	£	£
Net deficit for the year	<b>(289,860)</b>	(287,094)
Adjustments for:		
(Gain)/loss on disposal of tangible fixed asset	-	19,059
Fixed assets depreciation	<b>84,832</b>	133,603
Decrease/(increase) in stocks	<b>22,255</b>	(8,586)
Decrease in debtors	<b>86,691</b>	183,706
Increase in creditors	<b>84,821</b>	25,695
<b>Net cash (provided)/ generated by operating activities</b>	<b>(11,261)</b>	66,383

# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 August 2019 (continued)

### 18 Analysis of net funds

	Restated 1 September 2018 £	Cash- flow £	31 August 2019 £
Net cash:			
Cash at bank and in hand	6,227	22,994	<b>29,221</b>
Bank overdrafts	(182,792)	(85,041)	<b>(267,833)</b>
<b>Net funds</b>	<b>(176,565)</b>	<b>(62,047)</b>	<b>(238,612)</b>

### 19 Related party transactions

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 Mr J.J.Tanner, who are governors of Abberley Hall are the sole shareholders of Abberley Hall Enterprises Limited and hold its shares as nominees for Abberley Hall Limited.

Rent received from Abberley Hall Enterprises Limited during the year amounted to £23,000 (2018: £ 32,000) and fees paid to Abberley Hall Enterprises Limited for use of the swimming pool totaled £17,424 (2018: £17,000), including irrecoverable VAT. During the year Abberley Hall Limited received £39,488 (2018:£48,239) from Abberley Hall Enterprises Limited for recharges of expenditure including fuel oil and wages. Cash of £4,276 (2018: £ 16,129) was collected on behalf of Abberley Hall Enterprises Limited by Abberley Hall Limited during the year. At the year end £186,817 (2018: £164,113) was owed by Abberley Hall Enterprises Limited to Abberley Hall Limited, however this has been fully provided for (2018: £60,000).

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 V.E.C.Taylor was a trustee of both charities. During the year Abberley Hall Limited paid for expenses on behalf of the charity amounting to £10,695 (2018: £24,732). At the year end £33,543 (2018: £69,056) was owed by The Abberley Hall Foundation to Abberley Hall Limited for accumulated expenses paid on their behalf.

During the year Abberley Hall Limited traded on normal commercial terms with Hingley & Callow Oils Limited and Callowgas Limited, companies owned by the family of Mrs K Collyer, who was appointed as a governor during the year. During the year purchases of fuel oil and motor fuels amount in to £67,830 (2018: £81,852) and gas purchases were £15,878 (2018: £17,698).

In June 2019, it was announced a new formal relationship with Abberley Hall Limited, the parent entity and Malvern College was formed. Malvern College have agreed to make a substantial financial contribution to Abberley Hall Limited over the next four years. Malvern College have now appointed 50% of the Abberley Hall Limited Governors and the first meeting of the new board was held on 13 September 2019.

### 20 Taxation

The School was a registered charity throughout the year and, as such, for its charitable (primary purpose) trading was not liable to corporation tax on the surplus of income over expenditure for the year, or to capital taxes on gains arising from the disposal of assets. For any surplus, over the small



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trading exemption on non-primary purpose trading, corporation tax will be payable.

### Notes to the financial statements for the year ended 31 August 2019 (continued)

#### 21 Share Capital

	2019	2018
	£	£
Ordinary share capital: Issued and fully paid		
100 ordinary shares of £1 each	100	100

#### 22 Capital commitments

The School had no capital commitments at 31 August 2019 (2018: £nil).

#### 23 Post balance sheet events

The School has committed to granting a charge against the assets in favour of Malvern College.

On 29 November 2019 the School sold a freehold property in France for a cash consideration of €320,000, the net proceeds of which were used to reduce indebtedness to Lloyds Bank.

#### 24 Prior year adjustment

During a review of the 2018 comparative financial information, a number of matters requiring adjustment were identified. It was identified that;

- Buildings had not been depreciated since 2016. An adjustment has been made to the comparative financial statements to restate the depreciation brought forward. As such an adjustment to the accumulated depreciation brought forward has been made of £106,600 and the same amount has been processed through reserves brought forward.
- The value of the Frech Chalet (£246,520) had been omitted from Fixed Assets since 2016. An adjustment has been made to restate the Fixed Asset cost brought forward. The same amount has been processed through reserves brought forward.
- Income was understated by £11,000 due to invoices not being appropriately recorded. An adjustment has been made to the comparative financial statements to restate the income and the same amount has been processed through reserves brought forward.

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## Notes to the financial statements for the year ended 31 August 2019 (continued)

### 25 Comparative SOFA (restated)

	Notes	Unrestricted Funds £	Restricted Funds £	2018 Total £
<b>INCOME FROM:</b>				
<b>Charitable activities</b>				
School fees	2	3,136,186	-	3,136,186
Ancillary trading income	2	376,146	-	376,146
<b>Trading activities</b>				
	3	323,447	-	323,447
<b>Donations</b>	4	-	23,480	23,480
<b>TOTAL</b>		<b>3,835,779</b>	<b>23,480</b>	<b>3,859,259</b>
<b>EXPENDITURE ON:</b>				
<b>Raising funds</b>				
Financing costs	5	4,695	-	4,695
<b>Charitable Activities</b>				
Provision of Education	5	3,990,642	23,480	4,014,122
<b>Other</b>		<b>127,536</b>		<b>127,536</b>
<b>TOTAL</b>		<b>4,122,873</b>	<b>23,480</b>	<b>4,146,353</b>
<b>Net income and net movement in funds</b>	6	<b>(287,094)</b>	<b>-</b>	<b>(287,094)</b>
<b>RECONCILIATION OF FUNDS</b>				
Fund balances b/f 1 September	14	5,493,689	2,000	5,495,689
<b>Fund balances c/f 31 August</b>	14	<b>5,206,595</b>	<b>2,000</b>	<b>5,208,595</b>