

Registered Charity Number: 527598
Registered Company Number: 00602279

ABBERLEY HALL LIMITED

**Annual report and financial statements
for the period ended 31 July 2020**

ABBERLEY HALL LIMITED

Annual report and financial statements for the period ended 31 July 2020

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ABBERLEY HALL LIMITED

For the period ended 31 July 2020

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 last updated 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	(resigned 01.07.20)
	C.A.P. Leonard	(appointed 01.07.20)
S.G.Angus		
R.K. Black		(appointed 28.11.19: resigned 19.03.20)
R.H.Brierly		
K.E.Collyer		(resigned 28.11.19)
S.A.Dowling		
A.G.Duncan		(resigned 19.03.20)
A.Goddard		
S.M.Hill		
A.Inglis		
A.K.Metcalf		
V.J.Orchard		
G.R.H.Ralphs		(resigned 14.10.20)
R.M. d'A. Samuda		(resigned 01.07.20)

Officers

Headmaster:	W.Lockett	(resigned 31.07.20)
	J.Besley	(appointed 01.08.20)
Company Secretary:	W. Lockett	(resigned 01.07.20)
	K.E Collyer	(appointed 01.07.20)

Key management personnel

Headmaster:	W.Lockett	(resigned 31.07.20)
	J.Besley	(appointed 01.08.20)
Deputy Headmaster:	N.Richardson	
Head of Pre-Prep and Nursery:	E.Green	
Director of Finance:	K.E.Collyer	(Malvern College employee)

ABBERLEY HALL LIMITED

For the period ended 31 July 2020

Reference and Administrative Information (continued)

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

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

Lawyers:

Veale Wasbrough Vizards
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

ABBERLEY HALL LIMITED

Report of the Governors for the period ended 31 July 2020

The Governors present their annual report and the audited financial statements for the eleven month period ended 31 July 2020. During the financial period Abberley Hall Limited shortened its accounting period from 31 August 2020 to 31 July 2020 in order to align with the Malvern College group. Abberley Hall Limited has the legal authority to shorten its year end in line with its governing documents. As such, these financial statements are prepared for the eleven month period from 1 September 2019 to 31 July 2020 and are not directly comparable to the previous year's results.

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

2020 has been an unprecedented year, with the COVID-19 pandemic resulting in the closure of the School campus in March 2020. The School acted swiftly to move to online learning for the Summer Term. The feedback from these learning experiences has been positive but it was considerable pleasure that we welcomed the pupils back to the campus in September 2020.

Given these exceptional times, the pressure on pupil recruitment continues to increase at the lower end of the School. Pupil numbers for 2020-21 start at 150, which is slightly above budget but is substantially below the prior year. 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. A focused marketing and recruitment strategy has been developed and the School is starting to see a positive response to our enhanced market presence.

Pupils have again achieved excellent results both academically and in the very wide range of curricular and extra-curricular opportunities provided.

In June 2019, it was announced a new formal relationship with Abberley Hall Limited and Malvern College was formed. Malvern College have agreed to make a substantial financial contribution to Abberley Hall Limited. 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. The results of Abberley Hall Limited are from 1 September 2019 being consolidated into the accounts of Malvern College.

This arrangement has enabled the School to draw upon the expertise and economies of a larger organisation. The strategic objectives of the School are under review and a clear strategic plan is under development. The School has benefited from Malvern College's strategic input but also from the operational support including Estates, HR, Finance and Marketing.

The Governing Body said farewell to its Chairman, Mr James Tanner who stepped down as both a Governor and the Chair in July 2020. James had been a Governor for 6 years and had contributed to the School's traditional boarding ethos. James passes the Chairmanship into the safe hands of myself, Mr Carey Leonard, a long serving Trustess and Treasurer to the Malvern College Council. At the end of the school year, the School also said farewell to its Headmaster, Mr William Lockett. The Governors have appointed Mr Jonnie Besley as Headmaster from September 2020. Mr Besley joins the School from a very successful, boarding prep school in Suffolk.

Under the new leadership, the Governing Body and Senior Management Team will continue to closely monitor the economic factors and the social and economic trends affecting the School's overall performance to ensure it thrives.

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

ABBERLEY HALL LIMITED

Report of the Governors for the year ended 31 July 2020 (continued)

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.

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, Welfare and Education. Following the year-end the Committee structure and terms of reference have been reviewed and are now Commercial, Safeguarding & Welfare and Education. The School holds an annual general meeting where the financial statements are reviewed and approved.

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 Senior Management Team 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. The nominal value of the shares is £2. 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. No payment has been made to Malvern College for this support.

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. In July 2020, Malvern College appointed myself, Mr Carey Leonard, as the Chair. 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 period 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.

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

ABBERLEY HALL LIMITED

Report of the Governors for the year ended 31 July 2020 (continued)

to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements.

Key risks

The key risk identified and being managed by the School is at present the impact of the COVID-19 pandemic. The impact of COVID-19 has been far reaching but the School has adapted well and has developed extensive contingency plans should a further lockdown be required. The School was well placed for a return to classroom based teaching and welcomed both staff and pupils back for the start of the new term in September.

Other key current risks identified and being managed by the School include the failure to meet budgeted pupil numbers and the associated impact upon financial performance. These risks are managed by a regular review of pupil recruitment resulting in a coordinated approach from all involved to ensure pupil retention and recruitment are prioritised.

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 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.

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.

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Report of the Governors for the year ended 31 July 2020 (continued)

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 2019/2020 academic year was 201 (2018/19: 215), numbers at the end of the year were 202 (2018/19: 225), an increase of 1 during the year (2018/19: 10). Given the closure of the campus during the Summer Term the anticipated in-year increases did not materialise as parents postponed joining until September 2020, if not later.

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

Academic

The period ended 31 July 2020 was another successful year for our Year 8 pupils who sat scholarship assessments and examinations at prospective senior schools and received the following awards:

Subject	2019-20 Awards	2018-9 Awards
Academic	8 scholarships, 2 exhibitions	2 exhibitions
Art	4 scholarships, 1 exhibition	1 scholarship, 1 exhibition
All-rounder	7 scholarships	1 scholarship
Design Technology	1 exhibition	1 scholarship
Music	3 scholarships, 1 exhibition	1 scholarship, 1 exhibition
Sport	9 scholarships, 1 exhibition	1 scholarship
Drama	4 scholarships, 1 exhibition	

A full set of academic, sporting and extra-curricular achievements are reported to the Governors in termly reports. These achievements are many and the number of successes continues to increase year on year. Sporting links between the School and local primary schools has been further strengthened through the hosting of various sports tournaments aimed at local primary schools.

Pastoral

The School has a range of pastoral policies that are regularly reviewed by the Governors' Safeguarding and Welfare sub-committee.

Boarding

Boarding remains popular, especially with our older pupils. A range of exciting opportunities and activities are available during weekends and on evenings. We are seeing increasing demand for flexible boarding options which enables day pupils to partake in these activities. The children in the House were from a range of countries but remain predominantly British pupils. The age range was from 7 to 13, with the majority being in the senior end of the School.

Charities Act 2011 and Public Benefit

The Trustees have considered the Charities Act 2011 on public benefit and have had due regard for Charity Commission Guidance on the Subject.

The school is committed to funding the education at the School of members of the local community who would not normally be in a position to afford the school fees but who demonstrate that they would benefit from the educational environment the School offers. The School has limited reserves and the bursary scheme is funded through revenues generated by the School and not through investment income. During the 2019-20 year, Bursaries were awarded to 47 pupils. The value of this funding was £364,244.

The School also raised funds for a wide selection of charities including local, national and international organisations. A number of local groups also made use of the School's facilities at either a reduced cost or free of charge. The School provides work experience opportunities and placements for a number of young people and has supported Worcester University by offering places to student

ABBERLEY HALL LIMITED

Report of the Governors for the period ended 31 July 2020 (continued)

teachers.

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. 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.

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.

Financial review

The principal funding source for the School is fee income. The result for the 11 months ending 31 July 2020 is a deficit of £392,359 (12 months to 31 August 2019: deficit £289,860), which includes a depreciation charge of £116,328 (2019: £84,832). The underlying operational result (before taking into account this item) was a deficit of £276,031 (2019: deficit of £205,028).

For the 2019/20 period trading was broadly in line with budget following adjustment for the impact of COVID-19. Temporary fee reductions of £315,068 were granted as a result of COVID-19 and the closure of the campus. The School incurred additional extraordinary costs of circa £112,000 arising from exceptional HR matters.

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 £4,526,376 (2019: £4,918,735). Of the total unrestricted funds of £4,518,240 (2019: £4,906,558), £5,305,839 (2019: £5,636,475) comprises fixed assets, leaving negative free reserves of £787,599 (2019: £729,917). This is in line with many other independent schools due to the investment in buildings. Restricted funds are £8,136 (2019: £12,177).

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

Following the appointment of the new Headmaster, it is anticipated, that in conjunction with the Senior Management Team (SMT) the School's strategic framework will be subject to a detailed review. As the strategic plan is developed it will be regularly reported to the Governors for discussion and approval.

The 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 3 years. It will also reflect recent changes in educational provision arising from the impact of COVID-19.

The School plans to progress capital and maintenance spending plans in order to:

- Continue to develop the School and its facilities
- Enable the refurbishment and preservation of the older sections of the School to a very high standard; and
- Ensure the facilities support the pupil number projections and the academic/pastoral objectives.

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Report of the Governors for the period ended 31 July 2020 (continued)

Policies

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

Investment Policy

Due to the nature of the School's activities and the impact of COVID-19, surplus funds are not held for long periods of time and are not therefore available for long-term investment. Accordingly, the School's policy is to invest such funds in deposit accounts offering a market rate of interest.

Remuneration Policy

The remuneration of key management personnel is set by the Governors, with the objective of providing appropriate incentives to encourage retention of existing staff and also to attract new staff when required.

The appropriateness of the policy is reviewed regularly by the Governors, to ensure that the School remains sensitive to the broader issues of pay and employment conditions in the sector.

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 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 have familiarised themselves with the updated version of the Charity Governance Code (the "Code") published in July 2017. The Governors consider that the School's governance framework aligns with many aspects of the Code and will continue to take positive steps towards working in line with the Code in all ways where it is practicable to do so.

Statement on Fundraising

The charity had no fundraising activities requiring disclosure under s.162A of the Charities Act 2011.

ABBERLEY HALL LIMITED

Report of the Governors for the period ended 31 July 2020 (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 November 2020 by

A handwritten signature in black ink, appearing to read 'C A P Leonard', with a diagonal line at the end.

**C A P Leonard
Governor and Chairman**

ABBERLEY HALL LIMITED

Independent Auditor's Report to the Governors of Abberley Hall Limited Period ended 31 July 2020

Opinion

We have audited the financial statements of Abberley Hall Limited for the period ended 31 July 2020 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 July 2020 and of its incoming resources and application of resources for the period 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.

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.

**Independent Auditor's Report to the Governors of Abberley Hall Limited
Period ended 31 July 2020**

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 Strategic Report or the Directors' Report included within 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.

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. This description forms part of our auditor's report.

ABBERLEY HALL LIMITED

Independent Auditor's Report to the Governors of Abberley Hall Limited Period ended 31 July 2020

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: 17 March 2021

ABBERLEY HALL LIMITED

Statement of Financial Activities (including income and expenditure account) for the period ended 31 July 2020

	Notes	Unrestricted Funds £	Restricted Funds £	11 months to 31 July 2020 £	Year to 31 August 2019 £
INCOME FROM:					
Charitable activities					
School fees	2	2,594,730	-	2,594,730	3,044,327
Ancillary trading	3	239,111	-	239,111	322,056
Trading activities	3	80,065	-	80,065	347,653
Profit on disposal of fixed assets		23,577	-	23,577	-
Interest received		53	-	53	-
Donations	4	186,772	1,789	188,561	25,918
TOTAL INCOME		3,124,308	1,789	3,126,097	3,739,954
EXPENDITURE ON:					
Raising funds					
Financing costs	5	12,666	-	12,666	21,258
Charitable Activities					
Provision of education	5	3,499,960	5,830	3,505,790	3,994,111
Other	5	-	-	-	14,445
TOTAL EXPENDITURE		3,512,626	5,830	3,518,456	4,029,814
Net (expenditure) and net movement in funds	6	(388,318)	(4,041)	(392,359)	(289,860)
RECONCILIATION OF FUNDS					
Funds balances b/f 1 September 2019	14	4,906,558	12,177	4,918,735	5,208,595
Funds balance c/f 31 July 2020	14	4,518,240	8,136	4,526,376	4,918,735

The notes on pages 18 to 32 form part of the financial statements.

ABBERLEY HALL LIMITED

Balance Sheet as at 31 July 2020

Company number: 00602279

		31 July 2020 £	31 August 2019 £
Fixed assets:			
Tangible assets	8	5,305,839	5,636,475
Total fixed assets		5,305,839	5,636,475
Current assets:			
Stocks	9	25,507	34,481
Debtors	10	429,213	424,954
Cash at bank & in hand		478,672	29,221
Total current assets		933,392	488,656
Liabilities:			
Creditors: amounts falling due within one year	11	(617,671)	(981,369)
Net current assets/(liabilities)		315,721	(492,713)
Total assets less current liabilities		5,621,560	5,143,762
Creditors: amounts falling due after more than one year	12	(1,095,184)	(225,027)
Total net assets		4,526,376	4,918,735
The funds of the charity:			
Restricted funds	14	8,136	12,177
Unrestricted funds	14	4,518,240	4,906,558
Total charity funds		4,526,377	4,918,735

The financial statements were approved and authorised for issue by the board of Governors on 26 November 2020 and were signed on its behalf by:



C A P Leonard
Governor

The notes on pages 18 to 32 form part of the financial statements.

ABBERLEY HALL LIMITED

Statement of Cash Flows for the period ended 31 July 2020

	Notes	31 July 2020		31 August 2019	
		£	£	£	£
Cash flows from operating activities:					
Net cash used in operating activities	16		(497,078)		(11,261)
Cash flows from investing activities:					
Interest received		53		-	
Purchase of tangible fixed assets		(31,436)		(50,786)	
Proceeds on disposal of tangible fixed assets		245,745		-	
Net cash flow from investing activities:			214,362		(50,786)
Cash flows from financing activities:					
Cash from intercompany loan		1,000,000		-	
Net cash inflow from financing activities:			1,000,000		-
Change in cash and cash equivalents in the reporting period	17		712,284		(62,047)
Cash and cash equivalents at the beginning of the reporting period	17		(238,612)		(176,565)
Cash and cash equivalents at the end of the reporting period	17		478,672		(238,612)

The notes on pages 18 to 32 form part of the financial statements.

ABBERLEY HALL LIMITED

Notes to the financial statements for the period ended 31 July 2020

Charity information

Abberley Hall Limited is a private company limited by shares, 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) (2nd edition effective January 2019) - (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.

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 period ended 31 July 2020.

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

Basis of accounting

During the financial period Abberley Hall Limited shortened its accounting period from 31 August 2020 to 31 July 2020 in order to align with the Malvern College group. Abberley Hall Limited has the legal authority to shorten its year end in line with its governing documents. As such, these financial statements are prepared for the 11 month period from 1 September 2019 to 31 July 2020 and are not directly comparable to the previous years results.

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 financial statements 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.

Government Grants: Job Retention Scheme

Income from government grants, whether 'capital' grants or 'revenue' grants, is recognised when the School has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Where entitlements occurs before income is received, the income is accrued. Where income is received in advance of the School having entitlement to the funds the income is deferred.

ABBERLEY HALL LIMITED

Notes to the financial statements for the period ended 31 July 2020 (continued)

1 Principal accounting policies (continued)

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. Due to COVID-19, the School granted a one off temporary reduction in fees of £315,086 during the Summer Term.

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.

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 due to this being the fund the wages and salaries are paid from.

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.

ABBERLEY HALL LIMITED

Notes to the financial statements for the period ended 31 July 2020 (continued)

1 Principal accounting policies (continued)

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.

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 (Previously 1%)	1.8
Fixtures & fittings	10
Grounds equipment (on a reducing balance basis)	10
Computers and other equipment	33

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.

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.

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.

ABBERLEY HALL LIMITED

Notes to the financial statements for the period ended 31 July 2020 (continued)

2 School fees

The School's tuition fee income comprised:	Period ended 31 July 2020	Year ended 31 August 2019
	£	£
Gross fees	3,565,975	3,697,784
Less: scholarships, bursaries etc	(645,457)	(638,757)
Less: COVID-19 fee concession	(315,086)	-
Less: commission	(10,702)	(14,700)
	2,594,729	3,044,327

3 Other income

	Period ended 31 July 2020	Year ended 31 August 2019
	£	£
Trading activities		
French chalet income	15,040	25,048
Lettings and other income	27,050	249,017
Uniform shop	17,185	14,619
Miscellaneous income	20,790	58,969
	80,065	347,653
Ancillary trading income		
Fees for extracurricular activities	195,403	275,002
After School care	7,670	9,784
Supported learning fees	36,038	32,270
	239,111	322,056

4 Donations

	Period ended 31 July 2020	Year ended 31 August 2019
	£	£
Furlough Grant income	185,008	-
Restricted donations and gifts	1,764	6,493
Unrestricted donations and gifts	1,789	19,425
	188,561	25,918

The Government grant income received totalled £185,008 relates to the Government's Job Retention Scheme as part of their response to COVID-19. There are no unfulfilled conditions and the School has not received any other forms of Government assistance.

ABBERLEY HALL LIMITED

Notes to the financial statements for the period ended 31 July 2020 (continued)

5 Expenditure

	Staff costs £	Other costs £	Depreciation £	Period ended 31 July 2020 £	Year ended 31 August 2019 £
Raising funds					
Fundraising and publicity	-	12,666	-	12,666	21,258
Total	-	12,666	-	12,666	21,258
Charitable activities					
Teaching	1,723,441	260,016	-	1,983,457	1,816,959
Welfare	287,574	206,823	-	494,397	658,580
Premises	157,961	343,302	116,328	617,591	573,328
Support costs of Schooling	103,190	307,155	-	410,345	559,755
Provision of Education	2,272,166	1,117,296	116,328	3,505,790	3,994,111
Total expenditure	2,272,166	1,129,962	116,328	3,518,456	4,015,369

Included within support costs are governance costs of £82,554 (2019: £137,402) which mainly comprise the costs of administering the charity, professional costs, legal costs and audit fees. In 2019, Professional fees of £40k were incurred in relation to the agreement of the new association with Malvern College.

6 Net expenditure for the year

	Period ended 31 July 2020 £	Year ended 31 August 2019 £
Net expenditure for the year is stated after charging:		
Auditor's remuneration for audit	10,411	7,960
Auditor's remuneration for other assurance engagements	1,225	-
Operating lease rentals	15,271	11,342
Depreciation	116,328	84,832

ABBERLEY HALL LIMITED

Notes to the financial statements for the period ended 31 July 2020 (continued)

7 Employee & Governor information

	Period ended 31 July 2020	Year ended 31 August 2019
	Number	Number
The monthly average headcount of persons employed by the School during the year was:		
Teaching	48	49
Welfare	27	28
Estates	21	21
Administration	6	5
	102	103

Staff Costs

	Period ended 31 July 2020	Year ended 31 August 2019
	£	£
Wages & Salaries	1,874,107	2,110,159
Social Security costs	145,454	179,480
Other Pension costs (note 15)	252,605	209,285
Total	2,272,166	2,498,924

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

	Period ended 31 July 2020	Year ended 31 August 2019
	Number	Number
£80,001 - £90,000	-	1
£140,001 - £150,000*	1	-

*This included £33,833 as a Payment in Lieu of Notice.

For those staff whose emoluments exceed £60,000 pension contributions amounting to £25,638 (2019: £13,381) were paid by the School. None of the Governors received any remuneration during the period (2019: none). One Governor received reimbursement for travel expenses of £90 (2019: none).

	Period ended 31 July 2020	Year ended 31 August 2019
	£	£
Senior Management Team Remuneration	364,847	325,053

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

During the year, the Charity made redundancy/termination payments amounting to £89,350 (2019: £16,550) of which £47,250 is outstanding at the year end and has been accrued (2019: £nil).

ABBERLEY HALL LIMITED

Notes to the financial statements for the period ended 31 July 2020 (continued)

Governors

During the year, two Governors (2019: three Governors) had three children (2019: four children) attending the School. The School charged them a total of £69,935 (2019: £94,365) for School fees and £9,044 (2019: £11,851) for extras and disbursements. Remissions and discounts of £16,940 (2019: £5,499) including £9,268 of COVID-19 fee remission against the summer term fees, 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
	£	£	£	£
At cost				
At 31 August 2019	5,576,520	503,975	151,067	6,231,562
Additions	-	13,844	17,592	31,436
Disposals	(246,520)	-	-	(246,520)
At 31 July 2020	5,330,000	517,819	168,659	6,016,478
Accumulated Depreciation				
At 31 August 2019	159,600	379,430	56,057	595,087
Charge in the year	86,383	15,304	14,641	116,328
Disposals	(776)	-	-	(776)
At 31 July 2020	245,207	394,734	70,698	710,639
Net book values				
At 31 July 2020	5,084,793	123,085	97,961	5,305,839
At 31 August 2019	5,401,528	124,545	95,010	5,621,083

The Freehold land and buildings were revalued at £5,330,000 (2019: £5,330,000) at 1 June 2016, on a freehold basis with vacant possession, by valuers Christie's. At 31 July 2020, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £3,885,972 (2019: £3,972,355).

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

ABBERLEY HALL LIMITED

Notes to the financial statements for the period ended 31 July 2020 (continued)

9 Stocks

	31 July 2020	31 August 2019
	£	£
Heating oil and gas	9,335	7,373
School uniforms	16,172	23,304
Food	-	3,804
	25,507	34,481

Stocks are stated after impairment provisions totalling £7k (2019: £15k).

10 Debtors

	31 July 2020	31 August 2019
	£	£
School fees	104,782	345,331
Balances owed by related party	92,086	-
Other debtors	74,262	33,682
Prepayments	61,656	45,941
Accrued income	96,427	-
	429,213	424,954

Debtors are stated after impairment provisions totalling £65,989 (2019: £27,000). Balances owed by a related party include £178,333 (2019: £186,617) owed by Abberley Hall Enterprises Limited but are stated after an impairment provision of £144,426 (2019: £186,617).

11 Creditors: amounts falling due within one year

	31 July 2020	31 August 2019
	£	£
Bank overdraft	-	267,833
Trade creditors	127,909	189,374
Advanced fees	165,924	328,898
Taxation and social security	98,385	44,363
Balance owed to Intercompany	63,092	-
Other creditors	58,763	39,945
Entrance fee deposits	35,472	14,200
Accruals	68,126	96,756
	617,671	981,369

ABBERLEY HALL LIMITED

Notes to the financial statements for the period ended 31 July 2020 (continued)

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 (2019: £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 £nil (2019: £267,833).

12 Creditors: amounts falling due after more than one year

	31 July 2020	31 August 2019
	£	£
Entrance fee deposits	47,210	64,535
Fees in advance scheme	47,974	160,492
Intercompany loan	1,000,000	-
	1,095,184	225,027

13 Funds

	At 1 September 2019	Income	Expenditure	At 31 July 2020
	£	£	£	£
Restricted funds				
Prize fund	2,000	-	-	2,000
Grounds development	1,620	-	(1,620)	-
Parents Events Committee (PEC)	8,557	-	(4,210)	4,347
Royal Society Funding	-	1,789	-	1,789
	12,177	1,789	(5,830)	8,136
Unrestricted funds				
School fund	4,906,558	3,124,308	(3,512,626)	4,518,240
Total charity funds	4,918,735	3,126,097	(3,518,456)	4,526,376

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.

Royal Society Funding: funds received from the Royal Society Fund for the costs of the "Project Sound" creative arts initiative postponed from 2019-20 to 2020-21.

ABBERLEY HALL LIMITED

Notes to the financial statements for the period ended 31 July 2020 (continued)

13a Comparative Funds

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

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.

14 Analysis of the net assets between funds

The net assets are held for the various funds as at 31 July 2020 as follows:

Net assets of the School's funds	Fixed assets	Net current assets	Long term liabilities	Fund balances
	£	£	£	£
Restricted funds	-	8,136	-	8,136
Unrestricted funds	5,305,839	307,585	(1,095,184)	4,518,240
	5,305,839	315,721	(1,095,184)	4,526,376

14a Comparative Analysis of the net assets between funds

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

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

Notes to the financial statements for the period ended 31 July 2020 (continued)

15 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 £241,331 (2019: £193,848) 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 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. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

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. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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 the consultation and the cost cap mechanism review are completed 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 period to 31 July 2020 is £11,274 (2019: £15,437).

ABBERLEY HALL LIMITED

Notes to the financial statements for the period ended 31 July 2020 (continued)

16 Reconciliation of cash flows from operating activities

	31 July 2020	31 August 2019
	£	£
Net deficit for the year	(392,359)	(289,860)
Adjustments for:		
Fixed assets depreciation	116,328	84,832
Interest received	(53)	
Decrease in stocks	8,973	22,255
(Increase)/Decrease in debtors	(4,259)	86,691
(Decrease)/Increase in creditors	(225,708)	84,821
Net cash (provided)/ generated by operating activities	(497,078)	(11,261)

17 Analysis of cash and cash equivalents

	1 September 2019	Cash- flow	31 July 2020
	£	£	£
Net cash:			
Cash at bank and in hand	29,221	449,451	478,672
Bank overdrafts	(267,833)	267,833	-
Total cash and cash equivalents	(238,612)	717,284	478,672

18 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 (2019: £23,000) and fees paid to Abberley Hall Enterprises Limited for use of the swimming pool totalled £49,780 (2019: £17,424), including irrecoverable VAT. During the year Abberley Hall Limited received £28,497 (2019: £39,488) from Abberley Hall Enterprises Limited for recharges of expenditure including fuel oil and wages. Cash of £4,888 (2019: £4,276) was collected on behalf of Abberley Hall Enterprises Limited by Abberley Hall Limited during the year. At the year end £178,333 (2019: £186,817) was owed by Abberley Hall Enterprises Limited to Abberley Hall Limited, however £144,426 has been provided for (2019: £186,817).

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. During the year Abberley Hall Limited paid for expenses on behalf of the charity amounting to £nil (2019: £10,695). At the year end £33,543 (2019: £33,543) was owed by The Abberley Hall Foundation to Abberley Hall Limited for accumulated expenses paid on their behalf.

ABBERLEY HALL LIMITED

Notes to the financial statements for the period ended 31 July 2020 (continued)

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 a governor during the year. During the year purchases of fuel oil and motor fuels amount in to £48,881 (2019: £67,830) and gas purchases were £13,237 (2019: £15,878).

In June 2019, it was announced a new formal relationship with Abberley Hall Limited 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. Malvern College appointed the new Chair in July 2020. The results of Abberley Hall Limited are from 1st September 2019 consolidated into the accounts of Malvern College.

During the year Abberley Hall Limited traded on normal commercial terms with Malvern College and its subsidiary Malvern College International Limited. During the year expenses and subscription charges amounted to £4,912 (2019: £nil) were recharged to Abberley Hall. This balance was outstanding at the year end.

19 Ultimate holding entity and controlling party

The ultimate controlling party is considered to be Malvern College, a charity incorporated by Royal Charter (RC000338) in England and Wales, as the ultimate holding body and controlling party. Charity registration number 527578.

Copies of Malvern College consolidated financial statements prepared to 31 July 2020, which include the results of the company, may be obtained from the Company Secretary at the company's registered office shown on page 1 after the AGM, which will be held on 20 March 2021.

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

21 Share Capital

	31 July 2020	31 August 2019
	£	£
Ordinary share capital: Issued and fully paid		
100 ordinary shares of £1 each	100	100

ABBERLEY HALL LIMITED

Notes to the financial statements for the period ended 31 July 2020 (continued)

22 Commitments

The School had capital commitments of approximately £170,000 which had been internally approved but had not been contracted for at 31 July 2020 relating to the refurbishment of the All-Weather pitch (31 August 2019: £nil). This project was completed by October 2020.

Operating leases

At 31 July 2020 the School had future total minimum lease payments under non-cancellable operating leases for each of the following periods:

	31 July 2020	31 August 2020
	£	£
Not later than one year	15,271	11,342
Later than one year and not later than five years	37,187	20,894
Later than five years	-	-
	52,458	32,236

23 Post balance sheet events

The School has committed to an additional £1m loan on commercial terms from Malvern College. This will be covered by a charge against the assets in favour of Malvern College.

ABBERLEY HALL LIMITED

Notes to the financial statements for the period ended 31 July 2020 (continued)

25 Comparative SOFA

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