

Registered Charity Number: 527598
Registered Company Number: 00602279

ABBERLEY HALL LIMITED

Annual report and financial statements
for the year ended 31 July 2021

ABBERLEY HALL LIMITED

Annual report and financial statements for the year ended 31 July 2021

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ABBERLEY HALL LIMITED

Reference and Administrative Information For the year ended 31 July 2021

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: C.A.P. Leonard (a)(d)

S.G.Angus (resigned 4 March 2021) (c)

P. Bilj (appointed 26 May 2021) (c)

R.H.Brierly (c)

G. Cook (appointed 16 December 2020) (b)(d)

S.A.Dowling (a)(d)

A.Goddard (resigned 4 March 2021) (b)

S.M.Hill (b)

A.Inglis (b)

A.K.Metcalf (a)(b)

V.J.Orchard

V.Young (appointed 26 May 2021) (c)

G.R.H.Ralphs (resigned 14 October 2020) (a)

- (a) Member of the Commercial Committee
- (b) Member of the Education Committee
- (c) Member of the Safeguarding and Welfare Committee
- (d) Member of the Marketing Committee

Officers

Headmaster: J.Besley

Company Secretary: K.E Collyer

Key management personnel

Headmaster: J.Besley

Deputy Headmaster: N.Richardson

Chief Operating Officer: R.A.M.Breare (Malvern College employee) (Appointed 28 March 2021)

Director of Finance: K.E.Collyer (Malvern College employee)

ABBERLEY HALL LIMITED

Reference and Administrative Information (continued) For the year ended 31 July 2021

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
4th Floor, St James House
St James Square
Cheltenham
Gloucestershire, GL50 3PR

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 year ended 31 July 2021

The Governors present their annual report and the audited financial statements for the year ended 31 July 2021. During the prior 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, prior year comparatives for 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 current 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

In 2020 we reported on an unprecedented year, with the COVID-19 pandemic resulting in the closure of the School for the Summer Term. It was with considerable excitement that we welcomed our children back in September 2020. It was of course with considerable disappointment that we once more had to close in January 2021, albeit for just 8 weeks this time.

The School has continued to deliver a high quality education to children of all ages, ensuring both the academic and pastoral needs of our pupils were met, be it online or in person. With the success of the vaccine rollout programme, we therefore look forward to the 2021-22 academic year being uninterrupted and seeing a return to the normality of sports matches, drama and music events with parents and guardians in attendance.

Given these exceptional times, the Governors conducted a detailed strategic review in the summer of 2020 resulting in a number of exciting initiatives launching during the year. These included more flexible boarding arrangements, a revision to the timetable, the introduction of a Saturday morning enrichment programme and a reduction of our fees. These changes are designed to make the School more relevant and accessible whilst preserving the heritage and ethos that makes Abberley Hall one of the great prep schools. A significant increase in pupils at the start of the 2021/22 academic year strongly suggests that this strategy is beginning to bear fruit.

The School continues to benefit from its formal relationship with Malvern College and an extensive investment programme is being implemented. It is indeed exciting times at Abberley, with capital projects underway or completed including the new all-weather pitch, the relocation of the girls boarding house and reinstatement of the old theatre due to open in the Autumn Term. The extensive facilities on our beautiful 92 acre campus, excellent academic results and flexible approach to boarding are helping the School to enhance its attraction and competitiveness under the strong leadership of Headmaster Jonnie Besley, whom we welcomed in August 2020. Jonnie, together with his wife Tessa, is delivering on our strategy and driving the transformation that will ensure the School thrives.

The Governors, as well as continuing to monitor the external environment, have instituted a strong governance structure to support the School in its growth strategy. Abberley is now in an excellent position to take advantage of the changing dynamics in the sector as well as benefitting from membership of the growing Malvern family of schools which now educates more than 4,400 pupils in China & Hong Kong, Egypt and Switzerland as well as Worcestershire and Herefordshire. This, together with the strategic initiatives described above, means Abberley Hall is in an enviable situation from which to grow and develop. We can look forward to the future with optimism.

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 least 3 Governors, and not more than 7 will be co-opted by existing Governors.

ABBERLEY HALL LIMITED

Report of the Governors for the year ended 31 July 2021 (continued)

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 DfE 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 Commercial, Marketing, 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 and the Deputy. The remuneration of the key management personnel is discussed in detail each year by the Commercial 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. The sole shareholders of Abberley Hall Enterprises Limited are two former governors who 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 has made a substantial financial contribution to the School, enabling capital works and a programme of enhancement to be adopted over the coming years; 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 appointed 50% of the Abberley Hall Limited Board. In July 2020, Malvern College appointed myself, Mr Carey Leonard, as the Chair. From 1 September 2019, the results of Abberley Hall Limited have been consolidated into the Malvern College accounts. The first consolidated accounts were prepared for the 11 months 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 to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements.

Report of the Governors for the year ended 31 July 2021 (continued)

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.

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 no further 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 offers an inspirational educational experience based on the foundation of being one of England's great Prep Schools. Offering the time and space for each child to learn, play and grow, where children can be children and learn to be the very best version of themselves. The School aims to provide a broad all-round education in the academic sphere; in a range of sports, in the creative arts, and with a firm social grounding. We aim for the pupils to leave the school with a sense of independence, self-belief and initiative. We believe that learning should be an exciting experience and we strive to be truly innovative whilst maintaining a strong academic ethos and offering support for those who need it.

Our belief is that every child should be treated as an individual, and we encourage pupils to develop an understanding of their particular strengths while enjoying their childhood and developing firm friendships. We aim to teach pupils the benefits and pleasures derived from being part of a strong community with a shared set of values; namely - honesty, endeavouring to try one's hardest, mutual respect and support, and a commitment to the school community.

Our very modern approach to learning instils in our pupils a love for school, and provides our pupils with the skills, knowledge and resilience and emotional confidence to be happy, successful and fulfilled as they prepare for their onward journey to senior school.

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

2020-21 was a year of transition as the first stages of the School's strategic plan were implemented. We welcomed our new Headmaster, Mr Jonnie Besley along with a host of new pupils. The vibrancy of the School is tangible and a strong marketing presence has delivered our key messages to a far wider audience.

Boarding has become more flexible to attract a wider audience, Saturday school is now optional, although most children choose to come in and take part in our enrichment programme, known as "Discover". The curriculum has been reviewed and modernised and standards across the school have been raised. Fees have been reviewed and fees for pupils towards the top of the school have been reduced.

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Report of the Governors for the year ended 31 July 2021 (continued)

Academic

All of our Year 8 pupils gained entry to their first-choice schools. The majority of our pupils sat Common Entrance exams and the results were strong given the challenges they had faced. 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.

A number of our senior pupils achieved scholarships in a range of disciplines:

Subject	2020-21 Awards
Academic	1 scholarship,
Art	1 scholarship, 2 exhibitions
All-rounder	1 scholarship
Design Technology	
Music	
Sport	3 scholarships, 2 exhibitions
Drama	1 scholarship, 2 exhibitions
<i>Year 8 cohort:</i>	<i>13 pupils</i>

Pastoral

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

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 2020-21 year, Bursaries were awarded to 29 pupils (2019-20: 47 pupils). The value of this funding was £294,833 (2019-20: £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 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 year ending 31 July 2021 is a deficit of £1,020,903 (11 months to 31 July 2020: deficit £392,359), which includes a depreciation charge of £140,446 (2020: £116,328). The underlying operational result (before taking into account this item) was a deficit of £880,457 (2020: deficit of £276,031).

Income for the year was lower than prior years due to a reduction in pupil number as a direct consequence of the unusually large Year 8 cohort leaving the School in Summer 2021. For the 2020-21, trading was broadly in line with budget following adjustment for the impact of COVID-19. Temporary fee reductions of £109,729

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Report of the Governors for the year ended 31 July 2021 (continued)

(2020: £315,068) were granted as a result of COVID-19 and the closure of the campus. The School incurred additional extraordinary costs of circa £250,000 (2020: £112,000) arising from exceptional HR matters.

The Governors formed a working group in June 2020 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 four years. The increase in deficit for the year is in line with these plans as we invested in the fabric of the School, marketing initiatives and cost efficiencies for the future.

Pupil numbers at the start of the 2021-22 academic year are in line with budget and the School is well positioned to build upon the work achieved in 2020-21.

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

Restricted funds are £11,569 (2020: £8,136).

Reserves

Total reserves are £3,505,473 (2020: £4,526,376). Of the total unrestricted funds of £3,493,904 (2020: £4,518,240), £5,436,203 (2020: £5,305,839) comprises fixed assets, leaving negative free reserves of £1,942,299 (2020: £787,599). This is in line with many other independent schools due to the investment in buildings.

The Governors are aware of the negative free reserves. The policy in the long term, 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. In the short to medium term, the support of Malvern College and the development and implementation of a revised business development plan will ensure that cash is managed to sufficiently to meet the future plans and ongoing trading of the School.

Plans for future periods

The School's strategic framework is currently being subjected to a detailed review. As the strategic plan is developed it is regularly reported to the Governors for discussion and approval.

The strategic plan includes academic, pastoral and campus development matters as well as providing clear guidance on the capital expenditure required to deliver this strategy over the next 10 years. It also reflects 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.

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.

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Report of the Governors for the year ended 31 July 2021 (continued)

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 December 2020. 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.

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 25 November 2021 by



C A P Leonard
Governor and Chairman

ABBERLEY HALL LIMITED

Independent Auditor's Report to the Governors of Abberley Hall Limited Year ended 31 July 2021

Opinion

We have audited the financial statements of Abberley Hall Limited for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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
Year ended 31 July 2021**

Opinions 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 trustees' report, 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 trustees' report have 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 trustees' report.

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 trustees' 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 trustees'

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (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 trustees 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 trustees 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 trustees 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

**Independent Auditor's Report to the Governors of Abberley Hall Limited
Year ended 31 July 2021**

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the completeness and accuracy of fee income and non-fee income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Commercial Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over fee income and non-fee income, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

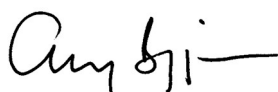
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin
Crowe U.K. LLP
Statutory Auditor
4th Floor, St James House
St James Square
Cheltenham
GL50 3PR

Date: 31 March 2022

ABBERLEY HALL LIMITED

Statement of Financial Activities (including income and expenditure account) for the Year ended 31 July 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Year ended 31 July 2021 £	11 months to 31 July 2020 £
INCOME FROM:					
Charitable activities					
School fees	2	2,133,747	-	2,133,747	2,594,730
Ancillary trading	3	136,054	-	136,054	239,111
Trading activities	3	52,288	-	52,288	80,065
Profit on disposal of fixed assets		-	-	-	23,577
Interest received		411	-	411	53
Donations	4	47,395	10,520	57,915	188,561
TOTAL INCOME		2,369,895	10,520	2,380,415	3,126,097
EXPENDITURE ON:					
Raising funds					
Financing costs	5	39,220	-	39,220	12,666
Charitable Activities					
Provision of education	5	3,355,011	7,087	3,362,098	3,505,790
TOTAL EXPENDITURE		3,394,231	7,087	3,401,318	3,518,456
Net (expenditure) and net movement in funds	6	(1,024,336)	3,433	(1,020,903)	(392,359)
RECONCILIATION OF FUNDS					
Funds balances b/f					
1 August 2020	13	4,518,240	8,136	4,526,376	4,918,735
Funds balance c/f 31 July 2021	13	3,493,904	11,569	3,505,473	4,526,376

The notes on pages 17 to 30 form part of the financial statements.

ABBERLEY HALL LIMITED

Balance Sheet as at 31 July 2021 Company number: 00602279

	Notes	31 July 2021 £	31 July 2020 £
Fixed assets:			
Tangible assets	8	5,436,203	5,305,839
Total fixed assets		5,436,203	5,305,839
Current assets:			
Stocks	9	26,956	25,507
Debtors	10	282,934	429,213
Cash at bank & in hand		198,951	478,672
Total current assets		508,841	933,392
Liabilities:			
Creditors: amounts falling due within one year	11	(325,284)	(617,671)
Net current assets/(liabilities)		183,557	315,721
Total assets less current liabilities		5,619,760	5,621,560
Creditors: amounts falling due after more than one year	12	(2,114,287)	(1,095,184)
Total net assets		3,505,473	4,526,376
The funds of the charity:			
Restricted funds	13	11,569	8,136
Unrestricted funds	13	3,493,904	4,518,240
Total charity funds		3,505,473	4,526,377

The financial statements were approved and authorised for issue by the board of Governors on 25 November 2021 and were signed on its behalf by:



C A P Leonard
Chairman

The notes on pages 17 to 30 form part of the financial statements.

ABBERLEY HALL LIMITED

Statement of Cash Flows for the year ended 31 July 2021

	Notes	31 July 2021	31 July 2020
		£	£
Cash flows from operating activities:			
Net cash used in operating activities	16	(1,024,321)	(497,078)
Cash flows from investing activities:			
Interest received		411	53
Purchase of tangible fixed assets		(270,811)	(31,436)
Proceeds on disposal of tangible fixed assets		-	245,745
Net cash flow from investing activities:		(270,400)	214,362
Cash flows from financing activities:			
Cash from intercompany loan		1,015,000	1,000,000
Net cash inflow from financing activities:		1,015,000	1,000,000
Change in cash and cash equivalents in the reporting period			
	17	(279,721)	712,284
Cash and cash equivalents at the beginning of the reporting period			
	17	478,672	(238,612)
Cash and cash equivalents at the end of the reporting period			
	17	198,951	478,672

The notes on pages 17 to 30 form part of the financial statements.

ABBERLEY HALL LIMITED

Notes to the financial statements for the year ended 31 July 2021

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 have been consolidated into the Malvern College accounts.

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

Basis of accounting

During the prior 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, prior year comparatives for 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 current 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 year ended 31 July 2021 (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 £109,729 (2020: £315,086) during the Spring 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 contributed 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 left the Teachers' Pension Scheme on 31 January 2021.

From 1 February 2021, the School contributes to a defined contribution scheme for teaching staff. Amounts paid in relation to this scheme are charged to the Statement of Financial Activities when they fall due.

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.

ABBERLEY HALL LIMITED

Notes to the financial statements for the year ended 31 July 2021 (continued)

1 Principal accounting policies (continued)

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.

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 and all-weather pitch (Previously 1%)	1.8-10%
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.

ABBERLEY HALL LIMITED

Notes to the financial statements for the year ended 31 July 2021 (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

The School's tuition fee income comprised:	Year ended 31	Period ended 31
	July 2021	July 2020
	£	£
Gross fees	2,810,496	3,565,975
Less: scholarships, bursaries etc	(551,874)	(645,457)
Less: COVID-19 fee concession	(109,729)	(315,086)
Less: commission	(15,146)	(10,702)
	2,133,747	2,594,729

3 Other income

	Year ended	Period ended
	31 July 2021	31 July 2020
	£	£
Trading activities		
French chalet income	-	15,040
Lettings and other income	36,468	27,050
Uniform shop	5,165	17,185
Miscellaneous income	10,655	20,790
	52,288	80,065
Ancillary trading income		
Fees for extracurricular activities	77,492	195,403
After School care	5,058	7,670
Supported learning fees	53,504	36,038
	136,054	239,111

4 Donations

	Year ended 31	Period ended 31
	July 2021	July 2020
	£	£
Furlough Grant income	47,395	185,008
Restricted donations and gifts	10,520	1,764
Unrestricted donations and gifts	-	1,789
	57,915	188,561

The Government grant income received totalled £47,395 (2020: £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 year ended 31 July 2021 (continued)

5 Expenditure

	Staff costs £	Other costs £	Depreciation £	Year ended 31 July 2021 £	Period ended 31 July 2020 £
Raising funds					
Fundraising and publicity	-	39,220	-	39,220	12,666
Total	-	39,220	-	39,220	12,666
Charitable activities					
Teaching	1,559,889	161,227	-	1,721,116	1,983,457
Welfare	149,267	299,681	-	448,948	494,397
Premises	137,005	374,070	140,446	651,521	617,591
Support costs of Schooling	325,342	215,171	-	540,513	410,345
Provision of Education	2,171,503	1,050,149	140,446	3,362,098	3,505,790
Total expenditure	2,171,503	1,089,369	140,446	3,401,318	3,518,456

Included within support costs are governance costs of £71,258 (2020: £82,554) which mainly comprise the costs of administering the charity, professional costs, legal costs and audit fees.

6 Net expenditure for the year

	Year ended 31 July 2021 £	Period ended 31 July 2020 £
Net expenditure for the year is stated after charging:		
Auditor's remuneration for audit	10,400	10,411
Auditor's remuneration for other assurance engagements	1,225	1,225
Auditor's remuneration for taxation engagements	1,000	-
Auditor's remuneration for capital gains tax advice	500	-
Operating lease rentals	432	15,271
Depreciation	140,446	116,328

ABBERLEY HALL LIMITED

Notes to the financial statements for the year ended 31 July 2021 (continued)

7 Employee & Governor information

	Year ended 31 July 2021	Period ended 31 July 2020
	Number	Number
The monthly average headcount of persons employed by the School during the year was:		
Teaching	45	48
Welfare	12	27
Estates	17	21
Administration	4	6
	78	102

Staff Costs

	Year ended 31 July 2021	Period ended 31 July 2020
	£	£
Wages & Salaries	1,828,239	1,874,107
Social Security costs	139,823	145,454
Other Pension costs (note 15)	203,411	252,605
Total	2,171,473	2,272,166

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

	Year ended 31 July 2021	Period ended 31 July 2020
	Number	Number
£80,001 - £90,000	1	-
£140,001 - £150,000*	-	1

*In the period to 31 July 2020 this included £33,833 as a Payment in Lieu of Notice.

For those staff whose emoluments exceed £60,000 pension contributions amounting to £24,231 (2020: £25,638) were paid by the School. None of the Governors received any remuneration during the period (2020: none). No Governor received reimbursement for travel expenses. (2020: One Governor £90).

	Year ended 31 July 2021	Period ended 31 July 2020
	£	£
Senior Management Team Remuneration	171,506	364,847

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

During the year, the Charity made redundancy/termination payments amounting to £219,723 (2020: £89,350) of which £nil is outstanding at the year end and has been accrued (2020: £47,250).

ABBERLEY HALL LIMITED

Notes to the financial statements for the year ended 31 July 2021 (continued)

Governors

During the year, two Governors (2020: two Governors) had three children (2020: three children) attending the School. The School charged them a total of £53,280 (2020: £69,935) for School fees and £5,546 (2020: £9,044) for extras and disbursements. Remissions and discounts of £22,114 (2020: £16,940) including £1,219 (2020: £9,268) of COVID-19 fee remission against the spring 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	Assets under construction	Total
	£	£	£	£	£
At cost					
At 31 July 2020	5,330,000	517,819	168,659	-	6,016,478
Additions	218,491	540	37,604	14,175	270,810
At 31 July 2021	5,548,491	518,359	206,263	14,175	6,287,288
Accumulated Depreciation					
At 31 July 2020	245,207	394,734	70,698	-	710,639
Charge in the year	104,961	16,181	19,304	-	140,446
At 31 July 2021	350,168	410,915	90,002	-	851,085
Net book values					
At 31 July 2021	5,198,323	107,444	116,261	14,175	5,436,203
At 31 July 2020	5,084,793	123,085	97,961	-	5,305,839

The Freehold land and buildings were revalued at £5,330,000 (2020: £5,330,000) at 1 June 2016, on a freehold basis with vacant possession, by valuers Christie's. At 31 July 2021, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £3,781,011 (2020: £3,885,972).

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

ABBERLEY HALL LIMITED

Notes to the financial statements for the year ended 31 July 2021 (continued)

9 Stocks

	31 July 2021	31 July 2020
	£	£
Heating oil and gas	10,500	9,335
School uniforms	11,242	16,172
Food	5,214	-
	26,956	25,507

Stocks are stated after impairment provisions totalling £14k (2020: £7k).

10 Debtors

	31 July 2021	31 July 2020
	£	£
School fees	108,531	104,782
Balances owed by related party	48,795	92,086
Other debtors	57,087	74,262
Prepayments	68,521	61,656
Accrued income	-	96,427
	282,934	429,213

Debtors are stated after impairment provisions totalling £51,484 (2020: £65,989). Balances owed by a related party include £175,682 (2020: £178,333) owed by Abberley Hall Enterprises Limited but are stated after an impairment provision of £126,887 (2020: £144,426).

11 Creditors: amounts falling due within one year

	31 July 2021	31 July 2020
	£	£
Trade creditors	90,175	127,909
Advanced fees	119,848	165,924
Taxation and social security	31,947	98,385
Balance owed to Intercompany	15,966	63,092
Other creditors	24,829	58,763
Entrance fee deposits	9,300	35,472
Accruals and deferred income	33,219	68,126
	325,284	617,671

ABBERLEY HALL LIMITED

Notes to the financial statements for the year ended 31 July 2021 (continued)

Lloyds Bank held a mortgage deed over the charity, secured on the mansion house known as Abberley Hall and all associated land and buildings. This was released in January 2021 following the repayment of the Bank overdraft facility.

Malvern College holds a fixed and floating charge over all assets in the financial statements against total borrowings. At the year end, the total borrowing from Malvern College was £2,030,966 (2020: £1,000,000).

12 Creditors: amounts falling due after more than one year

	31 July 2021	31 July 2020
	£	£
Entrance fee deposits	60,765	47,210
Fees in advance scheme	38,522	47,974
Intercompany loan	2,015,000	1,000,000
	2,114,287	1,095,184

A loan of £1.0m was drawn down in July 2020. A loan of £1.015m was drawn down in December 2020. These loans will be repaid over 10 years commencing at a point in the future when business performance improves sufficiently to generate the required cash flow to enable the repayments to commence. The interest rate associated with this loan is 2.32% (fixed rate).

13 Funds

	At 1 August 2020	Income	Expenditure	At 31 July 2021
	£	£	£	£
Restricted funds				
Prize fund	2,000	-	(150)	1,850
Fountain Restoration	-	5,000	-	5,000
Parents Events Committee (PEC)	4,347	3,520	(3,649)	4,218
Hardship funding	-	2,000	(2,000)	-
Royal Society Funding	1,789	-	(1,288)	501
	8,136	10,520	(7,087)	11,569
Unrestricted funds				
School fund	4,518,240	2,369,895	(3,394,231)	3,493,904
Total charity funds	4,526,376	2,380,415	(3,401,318)	3,505,473

Prize Fund: funds received for the financing of prizes awarded to pupils during their time at the School.

Fountain Restoration: funds received for the restoration of the School fountain.

Parents Events Committee (PEC): funds received from fundraising 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.

Hardship Fund: funds received from a donor to support a means-tested hardship award granted to a family experiencing short term financial difficulties arising from the impact of COVID-19.

ABBERLEY HALL LIMITED

Notes to the financial statements for the year ended 31 July 2021 (continued)

13a Comparative Funds

	At 1 August 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.

14 Analysis of the net assets between funds

The net assets are held for the various funds as at 31 July 2021 as follows:

Net assets of the School's funds	Fixed assets £	Net current assets £	Long term liabilities £	Fund balances £
Restricted funds	-	11,569	-	11,569
Unrestricted funds	5,436,203	171,988	(2,114,287)	3,493,904
	5,436,203	183,557	(2,114,287)	3,505,473

14a Comparative 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

ABBERLEY HALL LIMITED

Notes to the financial statements for the year ended 31 July 2021 (continued)

15 Pensions

Teachers' Pension Scheme

The School withdrew from the Teachers' Pension Scheme ("the TPS") on 31 January 2021. The pension charge for the year includes contributions payable to the TPS of £109,756 (2020: £241,331) and at the year-end £Nil (2020 - £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. As of 31 January 2021, the School opted to leave the Scheme and so, going forward contributions will no longer be payable to the TPS.

With effect from 31 January 2021, all staff (if eligible) were enrolled into the School's defined contribution scheme, the assets of which are held separately from those of the School.

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 31 July 2021 is £93,621 (2020: £11,274).

All pension charges are charged to unrestricted funds, in line with the fund out of which wages and salaries are paid.

16 Reconciliation of cash flows from operating activities

	31 July 2021	31 July 2020
	£	£
Net deficit for the year	(1,020,903)	(392,359)
Adjustments for:		
Fixed assets depreciation	140,446	116,328
Interest received	(411)	(53)
(Increase)/Decrease in stocks	(1,449)	8,973
Decrease/(Increase) in debtors	146,279	(4,259)
(Decrease) in creditors	(288,283)	(225,708)
Net cash (provided) by operating activities	(1,024,321)	(497,078)

ABBERLEY HALL LIMITED

Notes to the financial statements for the year ended 31 July 2021 (continued)

17 Analysis of cash and cash equivalents

	1 August 2020 £	Cash- flow £	31 July 2021 £
Net cash:			
Cash at bank and in hand	478,672	(279,721)	198,951
Bank overdrafts	-	-	-
Total cash and cash equivalents	478,672	(279,721)	198,951

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 £21,833 (2020: £23,000) and fees paid to Abberley Hall Enterprises Limited for use of the swimming pool totalled £48,257 (2020: £49,780), including irrecoverable VAT. During the year Abberley Hall Limited received £16,583 (2020: £28,497) from Abberley Hall Enterprises Limited for recharges of expenditure including fuel oil and wages. Cash of £3,868 (2020: £4,888) was collected on behalf of Abberley Hall Enterprises Limited by Abberley Hall Limited during the year. At the year end £289,462 (2020: £178,333) was owed by Abberley Hall Enterprises Limited to Abberley Hall Limited, however £126,887 has been provided for (2020: £144,426).

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 (2020: £Nil). At the year end £4,964 (2020: £33,543) 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, the Director of Finance, who was a director in the previous year. During the year purchases of fuel oil and motor fuels amount in to £51,243 (2020: £48,881) and gas purchases were £15,667 (2020: £13,237).

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 subsidiaries Malvern College Enterprises Limited and Malvern College International Limited. During the year expenses and subscription charges amounted to £43,079 (2020: £4,912) were recharged to Abberley Hall. £16,338 was outstanding at the year end.

ABBERLEY HALL LIMITED

Notes to the financial statements for the year ended 31 July 2021 (continued)

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 2021, which include the results of the company, may be obtained from the Company Secretary at the company's registered office shown on page 4 after the AGM, which will be held on 19 March 2022.

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 2021	31 July 2020
	£	£
Ordinary share capital: Issued and fully paid		
100 ordinary shares of £1 each	100	100

22 Commitments

At 31 July 2021, the School had capital commitments of approximately £50,524 which had been approved but had not been contracted for at the year end relating to the refurbishment of the Old Theatre and roof repairs.

At 31 July 2020, 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 (2020: £170,000). This project was completed by October 2020. There are no capital commitments at 31 July 2021.

Operating leases

At 31 July 2021 the School had future total minimum lease payments under non-cancellable operating leases for each of the following periods:

	31 July 2021	31 July 2020
	£	£
Not later than one year	15,243	15,271
Later than one year and not later than five years	28,469	37,187
Later than five years	-	-
	43,712	52,458

23 Post balance sheet events

The School has committed to an additional £0.5m 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 year ended 31 July 2021 (continued)

25 Comparative SOFA

	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