

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

# ABBERLEY HALL LIMITED

Annual report and financial statements  
for the year ended 31 July 2022

# ABBERLEY HALL LIMITED

## Annual report and financial statements for the year ended 31 July 2022

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# **ABBERLEY HALL LIMITED**

## **Reference and Administrative Information For the year ended 31 July 2022**

### **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)

P. Bijl (c)

R.H. Brierly (c)

G. Cook (b)(d)

S.A. Dowling (a)(d)

S.M. Hill (resigned 5 July 2022) (b)

A. Inglis (b)

A.K. Metcalfe (a)(b)

V.J. Orchard (resigned 11 July 2022)

V. Young (c)

(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: N.R. Roberts (appointed 30 June 2022)

K.E. Collyer (resigned 30 June 2022)

### **Key management personnel**

Headmaster: J. Besley

Deputy Headmaster: N. Richardson

Chief Operating Officer: R.A.M. Breare (Malvern College employee)

Finance Director: N. R. Roberts (Malvern College employee) (from 28 March 2022)

K. E. Collyer (Malvern College employee) (to 27 March 2022)

# ABBERLEY HALL LIMITED

## Reference and Administrative Information (continued) For the year ended 31 July 2022

### 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  
4<sup>th</sup> 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 2022**

The Governors present their annual report and the audited financial statements for the year ended 31 July 2022.

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**

Following an unprecedented couple of years where the COVID-19 pandemic was pervasive in our everyday lives, 2021-22 was the year that thankfully returned us back to some level of normality with an uninterrupted academic year.

For Abberley Hall it was a successful year academically and pastorally for our school and more importantly our children. The School has continued to deliver a high-quality education to children of all ages, ensuring the needs of our pupils were met. We have seen the positive impact of changes made following the strategic review in 2020. These changes made the School more relevant and accessible whilst preserving the heritage and ethos that makes Abberley Hall one of the great prep schools.

The excellent academic results and flexible approach to boarding as well as the extensive facilities on our beautiful 92-acre campus, have benefited the school under the strong leadership of Headmaster Jonnie Besley. The work of Jonnie, together with his wife Tessa, and the wider Abberley Hall staff gained recognition through being awarded Tatler's Best Prep School of the year.

Despite this being a successful year for our staff and pupils, the financial situation of the School is less positive. The impact of the economic environment has significantly increased the underlying cost base, the prep school market is challenging and the financial impacts of both of these could be exacerbated in the future by legislation changes on independent schools proposed by the Labour party. The compound effect of current economic pressures is significant and major funding will be needed to continue to operate the school.

The School has benefited considerably from its formal relationship with Malvern College, particularly from the financial support provided since June 2019, however the College made the difficult decision in Autumn 2023 that they would not continue to provide the funding required to the School. The result of this is that there are insufficient funds available for the 2023/24 financial year. The Governors have explored an extensive range of options to provide long term security to the school including part sale of the land and a takeover or partnership with private education providers and other schools, however none of these routes have been successful.

Given these uncertainties, in February 2023 the Governors informed the wider community of a potential closure of the school in the event that alternative sources of finance could not be secured and initiated a redundancy process with staff, to ensure that in the event of closure the required consultation and notice periods had been provided to staff. Before and after this announcement an Abberley Hall Parent Group worked tirelessly to fundraise and to secure an arrangement which would allow Abberley to stay open. Despite securing significant donations for the 2023-24 academic year, material uncertainty as to the long-term financial sustainability of the school led to the withdrawal of the Abberley Hall Parent Group from these discussions. The closure of the school has been confirmed and the College has agreed to provide loan funding up to £1m for closure costs, this will ensure an orderly closure and prevent risk around insolvency.

### **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.

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.

# ABBERLEY HALL LIMITED

## Report of the Governors for the year ended 31 July 2022 (continued)

### Organisational management

The Governors hold one ordinary meeting of the Governors in each School term and the Sub-Committees also meet termly. The Sub-Committees include 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 are not 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; alongside which it has provided 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 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. Governor's are exploring options to secure the long term financial sustainability of the school.

#### Key risks

The key risk identified and being managed by the School is the financial position and future sustainability of the school. The impact of the current economic uncertainties, linked to the conflict in Ukraine has exacerbated Abberley Hall's deficit position. Increased inflation impacted areas such as utility and food costs. We work very closely with our energy broker as well as our catering contractor to mitigate risks as far as possible. The impact of this is far reaching and the School developed detailed financial plans including a range of sensitivity analysis.

Linked to this, a risk identified and actively managed by the School was around 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 has continued to invest in marketing and admissions spend.

## **ABBERLEY HALL LIMITED**

### **Report of the Governors for the year ended 31 July 2022 (continued)**

#### **Key risks (continued)**

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 Harpur Trust vs Brazel ruling was handed down by the Supreme Court over the summer, this is another area that will affect the Schools financial position as this mandates that all workers, regardless of their working hours, and the proportion of each year they work, have a statutory entitlement of 5.6 weeks each year. This impacts on some teaching staff and non-teaching staff who work part time or irregular hours. The new rules will be implemented from September 2022 however there is the potential risk of back dated claims up to two years, accordingly a provision has been included in the 2021/22 financial statements.

The compounded effect of the economic climate and challenging prep school market has negatively affected the cash flow position. Malvern College make the difficult decision post year end that they would not provide further funding post the 2022/23 academic year. The Governors have explored an extensive range of options including approaching private school groups. An announcement of potential closure was made at the beginning of the Lent term 2023 and a consultation process has been undertaken with staff. An Abberley Hall Parent Group was formed who have gone to great efforts to fundraise for the School, however given the financial and operational investments required into the School, a long-term agreement has been unsuccessful. Closure of the school at the end of the 2022/23 academic year is now confirmed. The College has agreed to provide a loan of up to £1m for closure cost to ensure an orderly closure and prevent insolvency risk.

#### **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**

This year was the second year with Mr Jonnie Besley as the Headmaster. Following a year of transition in 2021-22, we have seen the exciting and demonstrable improvements that have been made in a short space of time under the Headmaster's leadership. The vibrancy of the School is tangible and a strong marketing presence has delivered our key messages to a far wider audience than previously.

# ABBERLEY HALL LIMITED

## Report of the Governors for the year ended 31 July 2022 (continued)

### Review of the year (continued)

Boarding has become more flexible to attract a wider audience, Saturday school is optional, although most children choose to come in and take part in our enrichment programme. The curriculum continues to be reviewed and modernised and standards across the school have been raised. Fees were reviewed towards the end of the financial year with a 5.5% applied across all rates for 2022/23.

#### Academic

The year was successful academically despite further disruptions caused by the covid pandemic. We undertook internal exams throughout the School as well as other forms of standardised testing to enable us to track progress. Our findings supported the view from parents that our academic provision and the progress made by our pupils is outstanding. We launched a new appraisal system for teaching staff and focused on marking scrutiny, lesson observations, on the upgrading of educational resources and also on ensuring that our teaching staff are undertaking effective training and CPD.

We have made the decision to introduce individual iPads for our senior pupils, to be used in conjunction with large high-resolution screens in the classrooms. This initiative has been well-supported by staff, parents and pupils and it represents an exciting step forward in the educational experience at our school.

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. A full set of academic, sporting and extra-curricular achievements are reported to the Governors in termly reports. These achievements are many and we are proud of these successes given that we are not a selective school.

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

<b>Subject</b>	<b>2021-22 Awards</b>
Academic	2 scholarships, 1 exhibition
Art	1 exhibition
All-rounder	1 scholarship
Sport	3 scholarships, 2 exhibitions
Drama	1 exhibition

#### Pastoral

The School has a range of pastoral policies that are regularly reviewed by the Governors' Safeguarding Committee. Pastoral care is a great strength of the School on which a lot of time and energy has been focused. We track and monitor all safeguarding records on the system MyConcern and staff continue to undertake thorough safeguarding training and to receive regular updates throughout the year. We know each of our children as an individual and we pride ourselves on bringing out the best in each child.

We have launched a set of core values at School, known as The Abberley Spirit and we are working hard to ensure that these are woven through the fabric of the School. Our values are Integrity, Kindness, Courage, Ambition, Adventure and Respect.

#### Boarding

The more flexible approach to boarding adopted since January 2021 has continued to see popularity in boarding grow. We still have a good number of full-time boarders who are with us seven days a week but we see increasing numbers join us as part-time boarders. As always, the summer term was the most popular time for boarding with the light evenings and outdoor activities. As ever, boarding becomes more popular towards the top of the school. The evening activities programme and the weekend programme continue to be a great strength.

#### Charities Act 2011 and Public Benefit

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



# ABBERLEY HALL LIMITED

## Report of the Governors for the year ended 31 July 2022 (continued)

### Review of the year (continued)

The School is committed to funding the education 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 2021-22 year, Bursaries were awarded to 30 pupils (2020-21: 29 pupils). The value of this funding was £209,061 (2020-21: £294,833).

The School raised funds for a number of charities including local, national and international organisations. We focused our fundraising efforts on local charity SARA (Severn Area Rescue Association) and UNHCR (United Nations High Commission for Refugees). Around £5,000 was raised for these two charities alone. We hold a number of other fundraising events such as for the Royal British Legion Remembrance Day and food for the local Food Bank through our Harvest Festival.

A number of local groups also made use of the School's facilities at either a reduced cost or free of charge. The School actively promotes the development of stronger links with local maintained Schools. Activities include the hiring of the swimming pool to two local primary schools as well as to local swimming clubs and swimming teaching groups. We also invite local children to take part in various activities at School such as Drama and Sport.

The School has a responsibility for maintaining its 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, and we organized a number of tours for the public last year, led by local historian Jo Roach.

### Financial review

The principal funding source for the School is fee income. The result for the year ending 31 July 2022 is a deficit of £838,487 (2021: deficit £1,020,903), which includes a depreciation charge of £145,596 (2021: £140,446). The underlying operational result (before taking into account this item) was a deficit of £692,891 (2021: deficit of £880,457).

Although gross fees were lower than prior years due to a reduction in pupil numbers, income as a whole was much improved by fewer fees allowances (even before allowing for the exceptional COVID-19 allowance in the previous year), and the resumption of trips and other activities.

No temporary fee reductions (2021: £109,729) were granted as a result of COVID-19 and the closure of the campus. The School incurred additional extraordinary costs of £nil (2021: £250,000) arising from exceptional HR matters. Pupil numbers at the start of the 2022-23 academic year are in line with budget.

There has been a significant investment of money and resources in Abberley Hall over the last few years, and the fruits of this have been felt positively by pupils, parents and staff. The School's infrastructure benefited from Malvern College investment and the support functions have been enhanced by being part of the Malvern Family of Schools. However, the current and forecast macroeconomic environment is unprecedented with no clear indications of when a return to profitability of the School is possible. With an increasing cost base and a difficult market to attract new pupils the School has been increasingly reliant on loans from Malvern College for day to day operations which is unsustainable. Malvern College confirmed in Lent 2023 that they would no longer provide loan funding beyond this academic year. As a result the Governors have been actively exploring an extensive range of options to secure the long term sustainability, these have been unsuccessful and closure of the school at the end of the 2022/23 academic year has now been confirmed. The terms of the loan agreements between Malvern College and Abberley Hall include a trigger under these circumstances regarding repayment of the loans and these have now been stated as due within one year in the balance sheet.

### Reserves

Total reserves are £2,666,986 (2021: £3,505,473). Restricted funds are £3,787 (2021: £11,569). Of the total unrestricted funds of £2,663,199 (2021: £3,493,904), £5,482,624 (2021: £5,436,203) comprises fixed assets, leaving negative free reserves of £2,819,425 (2021: £1,942,299). This is in line with many other independent schools due to the investment in buildings.

## Report of the Governors for the year ended 31 July 2022 (continued)

### Reserves (continued)

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 will ensure that cash is managed to sufficiently to cover the academic year.

### Plans for future periods

The School's long term financial plans are currently being reviewed in detail in light of the difficult economic climate. As plans are developed they are regularly reported to the Governors for discussion and challenge. Future funding streams are being explored, particularly those linked to the Abberley Hall Parent Group. However, in the event that these are not successful, Malvern College has agreed to provide a loan that will cover closure costs.

### Policies

The Senior Management Team annually reviews all of the School's policies, including; Headmaster's Guidelines, Staff Guidelines, Academic, Pastoral, Health and Safety, Boarding and EYFS. The Governors also review and approve the Safeguarding and related policies.

#### Investment Policy

Due to the nature of the School's activities, there are no surplus funds available for long-term investment.

#### 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.

**Report of the Governors  
for the year ended 31 July 2022 (continued)**

**Going concern**

Going concern of the School is dependent on the support of Malvern College which has been guaranteed for the 2022/23 academic year. A range of options (including part sale of the site; private school groups; and the Abberley Hall parent group fundraising initiatives) have been explored but the level of external funding required has not been secured. Closure of the school at the end of the 2022/23 academic year has been confirmed and as a result these accounts have been not been produced on a going concern basis.

**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 2021. The Governors consider that the School's governance framework aligns with all relevant aspects of the Code.

**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 24 April 2023 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 2022**

#### **Opinion**

We have audited the financial statements of Abberley Hall Limited for the year ended 31 July 2022 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 2022 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.

#### **Emphasis of Matter – financial statements prepared on a basis other than going concern**

We draw attention to Note 1 to the financial statements which explains that the governors intend to close the school at the end of the 2022/23 academic year and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1. Our opinion is not modified in respect of this matter.

#### **Other information**

The governors 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 2022**

**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 governors' 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 governors' 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 governors' 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 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 10, 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.

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 2022**

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 concessions and discounts, 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.

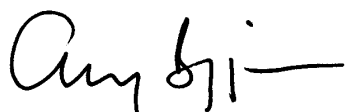
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These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the 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  
4<sup>th</sup> Floor, St James House  
St James Square  
Cheltenham  
GL50 3PR

Date: 28 April 2023

# ABBERLEY HALL LIMITED

## Statement of Financial Activities (including income and expenditure account) for the Year ended 31 July 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Year ended 31 July 2022 £	Year ended 31 July 2021 £
<b>INCOME FROM:</b>					
<b>Charitable activities</b>					
School fees	2	2,221,026	-	<b>2,221,026</b>	2,133,747
Ancillary trading	3	135,653	-	<b>232,202</b>	136,054
<b>Trading activities</b>					
Interest received	3	207,585	-	<b>111,036</b>	52,288
Donations	4	399	-	<b>399</b>	411
		-	2,391	<b>2,391</b>	57,915
<b>TOTAL INCOME</b>		<b>2,564,663</b>	<b>2,391</b>	<b>2,567,054</b>	<b>2,380,415</b>
<b>EXPENDITURE ON:</b>					
<b>Raising funds</b>					
Financing costs	5	28,170	-	<b>28,170</b>	39,220
<b>Charitable Activities</b>					
Provision of education	5	3,367,198	10,173	<b>3,377,371</b>	3,362,098
<b>TOTAL EXPENDITURE</b>		<b>3,395,368</b>	<b>10,173</b>	<b>3,405,541</b>	<b>3,401,318</b>
<b>Net (expenditure) and net movement in funds</b>	6	<b>(830,705)</b>	<b>(7,782)</b>	<b>(838,487)</b>	<b>(1,020,903)</b>
<b>RECONCILIATION OF FUNDS</b>					
Funds balances b/f					
1 August 2021	13	3,493,904	11,569	<b>3,505,473</b>	4,526,376
<b>Funds balance c/f</b>					
<b>31 July 2022</b>	13	<b>2,663,199</b>	<b>3,787</b>	<b>2,666,986</b>	<b>3,505,473</b>

The notes on pages 18 to 31 form part of the financial statements.

# ABBERLEY HALL LIMITED

## Balance Sheet as at 31 July 2022 Company number: 00602279

	Notes	31 July 2022 £	31 July 2021 £
<b>Fixed assets:</b>			
Tangible assets	8	5,482,624	5,436,203
<b>Total fixed assets</b>		<b>5,482,624</b>	<b>5,436,203</b>
<b>Current assets:</b>			
Stocks	9	39,787	26,956
Debtors	10	383,504	282,934
Cash at bank & in hand		41,054	198,951
<b>Total current assets</b>		<b>464,345</b>	<b>508,841</b>
<b>Liabilities:</b>			
<b>Creditors: amounts falling due within one year</b>	11	<b>(3,279,983)</b>	<b>(325,284)</b>
<b>Net current (liabilities)/assets</b>		<b>(2,815,638)</b>	<b>183,557</b>
<b>Total assets less current liabilities</b>		<b>2,666,986</b>	<b>5,619,760</b>
<b>Creditors: amounts falling due after more than one year</b>	12	<b>-</b>	<b>(2,114,287)</b>
<b>Total net assets</b>		<b>2,666,986</b>	<b>3,505,473</b>
<b>The funds of the charity:</b>			
<b>Restricted funds</b>	13	<b>3,787</b>	<b>11,569</b>
<b>Unrestricted funds</b>	13	<b>2,663,199</b>	<b>3,493,904</b>
<b>Total charity funds</b>		<b>2,666,986</b>	<b>3,505,473</b>

The financial statements were approved and authorised for issue by the board of Governors on 24 April 2023 and were signed on its behalf by:



**C A P Leonard**  
Chairman

The notes on pages 18 to 31 form part of the financial statements.



# ABBERLEY HALL LIMITED

## Statement of Cash Flows for the year ended 31 July 2022

	Notes	31 July 2022	31 July 2021
		£	£
<b>Cash flows from operating activities:</b>			
<b>Net cash used in operating activities</b>	<b>16</b>	<b>(482,337)</b>	<b>(1,024,321)</b>
<b>Cash flows from investing activities:</b>			
Interest received		399	411
Purchase of tangible fixed assets		(192,167)	(270,811)
Proceeds on disposal of tangible fixed assets		1,208	-
<b>Net cash flow from investing activities:</b>		<b>(190,560)</b>	<b>(270,400)</b>
<b>Cash flows from financing activities:</b>			
Cash from intercompany loan		515,000	1,015,000
<b>Net cash inflow from financing activities:</b>		<b>515,000</b>	<b>1,015,000</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>17</b>	<b>(157,897)</b>	<b>(279,721)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>17</b>	<b>198,951</b>	<b>478,672</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>17</b>	<b>41,054</b>	<b>198,951</b>

The notes on pages 18 to 31 form part of the financial statements.

# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 July 2022

### 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) (2<sup>nd</sup> 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

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

Going concern of the School has been dependent on the support of Malvern College which has been guaranteed for the 2022/23 academic year, however the College has confirmed they will not provide funding beyond the 2022/23 academic year. The future beyond was dependent on securing external funding sources, efforts have not been successful. Closure of the school post the 2022/23 academic year has been confirmed. Therefore, the accounts have been produced on an orderly wind down basis, this is possible due to support provided by Malvern College in way of a loan specifically for up to £1m of closure costs. The balance sheet has been reviewed and creditors more than one year have been reclassified as due within one year, this includes the loans from Malvern College. Fixed assets have been reviewed for impairment and have been written down where appropriate.

### 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 entitlement 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.

### 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.

In 2021, due to COVID-19, the School granted a one off temporary reduction in fees of £109,729 during the Spring Term.

# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 July 2022 (continued)

### 1 Principal accounting policies (continued)

#### **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.

#### **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 year ended 31 July 2022 (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 and all-weather pitch	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.

##### 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 year ended 31 July 2022 (continued)

### 2 School fees

The School's tuition fee income comprised:	Year ended 31	Year ended 31
	July 2022	July 2021
	£	£
Gross fees	2,745,623	2,810,496
Less: scholarships, bursaries etc	(491,126)	(551,874)
Less: COVID-19 fee concession	-	(109,729)
Less: commission	(33,471)	(15,146)
	<b>2,221,026</b>	<b>2,133,747</b>

### 3 Other income

	Year ended	Year ended
	31 July 2022	31 July 2021
	£	£
<b>Trading activities</b>		
Lettings and other income	85,803	36,468
Uniform shop	16,628	5,165
Profit on disposal of fixed assets	1,059	-
Miscellaneous income	7,546	10,655
	<b>111,036</b>	<b>52,288</b>
<b>Ancillary trading income</b>		
Fees for extracurricular activities	179,608	77,492
After School care	7,001	5,058
Supported learning fees	45,593	53,504
	<b>232,202</b>	<b>136,054</b>

### 4 Donations

	Year ended 31	Year ended 31
	July 2022	July 2021
	£	£
Furlough Grant income	-	47,395
Restricted donations and gifts	2,391	10,520
	<b>2,391</b>	<b>57,915</b>

The Government grant income received in 2021 of £47,395 related 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 2022 (continued)

### 5 Expenditure

	Staff costs £	Other costs £	Depreciation £	Year ended 31 July 2022 £	Year ended 31 July 2021 £
<b>Raising funds</b>					
Fundraising and publicity	-	28,170	-	<b>28,170</b>	39,220
Total	-	28,170	-	<b>28,170</b>	39,220
<b>Charitable activities</b>					
Teaching	1,516,938	211,125	-	<b>1,728,063</b>	1,721,116
Welfare	128,714	353,528	-	<b>482,242</b>	448,948
Premises	120,305	486,948	145,596	<b>752,849</b>	651,521
Support costs of Schooling	126,312	287,905	-	<b>414,217</b>	540,513
Provision of Education	1,892,269	1,339,506	145,596	<b>3,377,371</b>	3,362,098
<b>Total expenditure</b>	<b>1,892,269</b>	<b>1,367,676</b>	<b>145,596</b>	<b>3,405,541</b>	<b>3,401,318</b>

Included within support costs are governance costs of £25,985 (2021: £71,258) 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 2022 £	Year ended 31 July 2021 £
<b>Net expenditure for the year is stated after charging:</b>		
Auditor's remuneration for audit	<b>11,075</b>	10,400
Auditor's remuneration for other assurance engagements	-	1,225
Auditor's remuneration for taxation engagements	<b>1,125</b>	1,000
Auditor's remuneration for capital gains tax advice	-	500
Operating lease rentals	<b>5,808</b>	432
Depreciation	<b>145,596</b>	140,446

# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 July 2022 (continued)

### 7 Employee & Governor information

	Year ended 31 July 2022	Year ended 31 July 2021
	Number	Number
The monthly average headcount of persons employed by the School during the year was:		
Teaching	40	45
Welfare	14	12
Estates	12	17
Administration	4	4
	<b>70</b>	<b>78</b>

### Staff Costs

	Year ended 31 July 2022	Year ended 31 July 2021
	£	£
Wages & Salaries	1,589,794	1,828,239
Social Security costs	137,641	139,823
Other Pension costs (note 15)	164,834	203,411
Total	<b>1,892,269</b>	<b>2,171,473</b>

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

	Year ended 31 July 2022	Year ended 31 July 2021
	Number	Number
£80,001 - £90,000	1	1

For those staff whose emoluments exceed £60,000 pension contributions amounting to £17,671 (2021: £24,231) were paid by the School. None of the Governors received any remuneration during the period (2021: None). One Governor received reimbursements totalling £52 for travel expenses. (2021: None).

	Year ended 31 July 2022	Year ended 31 July 2021
	£	£
Senior Management Team Remuneration	162,957	171,506

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

During the year, the Charity made redundancy/termination payments amounting to £25,651 (2021: £219,723), of which £nil is outstanding at the year end (2021: £Nil).

### Governors

During the year, one Governor (2021: two Governors) had one child (2021: three children) attending the School. The School charged them a total of £15,900 (2021: £53,280) for School fees and £1,971 (2021: £5,546) for extras and disbursements. No remissions and discounts (2021: £22,114 including £1,219 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.

# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 July 2022 (continued)

### 8 Tangible fixed assets

	Freehold land and buildings	Grounds and computer equipment	Furniture, fixtures, fittings and plant	Assets under construction	Total
	£	£	£	£	£
<b>At cost</b>					
At 31 July 2021	5,548,491	518,359	206,263	14,175	6,287,288
Additions	156,134	26,471	9,562	-	192,167
Transfers	14,175	-	-	(14,175)	-
Disposals	-	(1,763)	-	-	(1,763)
<b>At 31 July 2022</b>	<b>5,718,800</b>	<b>543,067</b>	<b>215,825</b>	<b>-</b>	<b>6,477,692</b>
<b>Accumulated Depreciation</b>					
At 31 July 2021	350,168	410,915	90,002	-	851,085
Charge in the year	109,168	19,089	17,339	-	145,596
Disposals	-	(1,613)	-	-	(1,613)
<b>At 31 July 2022</b>	<b>459,336</b>	<b>428,391</b>	<b>107,341</b>	<b>-</b>	<b>995,068</b>
<b>Net book values</b>					
<b>At 31 July 2022</b>	<b>5,259,464</b>	<b>114,676</b>	<b>108,484</b>	<b>-</b>	<b>5,482,624</b>
At 31 July 2021	5,198,323	107,444	116,261	14,175	5,436,203

The Freehold land and buildings were revalued at £5,330,000 (2021: £5,330,000) at 1 June 2016, on a freehold basis with vacant possession, by valuers Christie's. At 31 July 2022, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £3,676,050 (2021: £3,781,011).

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

### 9 Stocks

	31 July 2022	31 July 2021
	£	£
Heating oil and gas	17,173	10,500
School uniforms	15,520	11,242
Food	7,094	5,214
	<b>39,787</b>	<b>26,956</b>

Stocks are stated after impairment provisions totalling £12,204 (2021: £14,016).



# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 July 2022 (continued)

### 10 Debtors

	31 July 2022	31 July 2021
	£	£
School fees	101,220	108,531
Balances owed by related party	166,500	48,795
Other debtors	45,186	57,087
Prepayments and accrued income	70,598	68,521
	<b>383,504</b>	282,934

Debtors are stated after impairment provisions totalling £42,331 (2021: £51,484). Balances owed by a related party include £299,459 (2021: £175,682) owed by Abberley Hall Enterprises Limited but are stated after an impairment provision of £132,959 (2021: £126,887).

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

	31 July 2022	31 July 2021
	£	£
Trade creditors	132,799	90,175
Advance fees	136,882	119,848
Taxation and social security	44,221	31,947
Balance owed to Intercompany	243,594	15,966
Other creditors	8,630	24,829
Entrance fee deposits	17,565	9,300
Intercompany loan	2,530,000	-
Accruals and deferred income	60,532	33,219
	<b>644,223</b>	325,284

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 £2,597,613 (2021: £2,030,966).

Loans of £1.0m and £1.015m were drawn down in July and December 2020 respectively. Further loans of £15,000, £250,000 and £250,000 were drawn down in October, November and December 2021.

These loans will be repaid at a point in the future when there is sufficient cash to allow this. The interest rate associated with these loans is 2.32% (fixed rate). The site will be actively marketed for sale, which once complete will enable the charity to repay its loans. The valuation of the site exceeds the value of the loans, although this could be affected if the site takes several years to sell.

# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 July 2022 (continued)

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

	31 July 2022	31 July 2021
	£	£
Entrance fee deposits	-	60,765
Fees in advance scheme	-	38,522
Intercompany loan	-	2,015,000
	-	2,114,287

Creditors due after more than one year have been reclassified to creditors due within one year due as a result of the decision to close the school.

### 13 Funds

	At 1 August 2021	Income	Expenditure	At 31 July 2022
	£	£	£	£
<b>Restricted funds</b>				
Prize fund	1,850	-	-	<b>1,850</b>
Fountain Restoration	5,000	-	(5,000)	-
Parents Events Committee (PEC)	4,218	2,391	(5,137)	<b>1,472</b>
Royal Society Funding	501	-	(36)	<b>465</b>
	11,569	2,391	(10,173)	<b>3,787</b>
<b>Unrestricted funds</b>				
School fund	3,493,904	2,564,663	(3,395,368)	<b>2,663,199</b>
<b>Total charity funds</b>	<b>3,505,473</b>	<b>2,567,054</b>	<b>(3,405,541)</b>	<b>2,666,986</b>

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.

# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 July 2022 (continued)

### 13a Comparative Funds

	At 1 August 2020	Income	Expenditure	At 31 July 2021
	£	£	£	£
<b>Restricted funds</b>				
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
<b>Unrestricted funds</b>				
School fund	4,518,240	2,369,895	(3,394,231)	3,493,904
<b>Total charity funds</b>	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.

### 14 Analysis of the net assets between funds

The net assets are held for the various funds as at 31 July 2022 as follows:

Net assets of the School's funds	Fixed assets £	Net current assets £	Long term liabilities £	Fund balances £
Restricted funds	-	3,787	-	3,787
Unrestricted funds	5,482,624	(2,819,425)	-	2,663,199
	5,482,624	(2,815,638)	-	2,666,986

### 14a Comparative 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

# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 July 2022 (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 no contributions payable to the TPS (2021: £109,756) and at the year-end £nil (2021 - £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 2022 is £164,834 (2021: £93,621).

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 2022	31 July 2021
	£	£
Net deficit for the year	<b>(838,487)</b>	(1,020,903)
Adjustments for:		
Fixed assets depreciation	<b>145,596</b>	140,446
Profit on sale of fixed assets	<b>(1,059)</b>	-
Interest received	<b>(399)</b>	(411)
(Increase) in stocks	<b>(12,831)</b>	(1,449)
(Increase)/Decrease in debtors	<b>(100,570)</b>	146,279
Increase/(Decrease) in creditors	<b>325,413</b>	(288,283)
<b>Net cash (used in) operating activities</b>	<b>(482,337)</b>	(1,024,321)

### 17 Analysis of cash and cash equivalents

	1 August 2021	Cash- flow	31 July 2022
	£	£	£
Net cash:			
Cash at bank and in hand	198,951	(157,897)	<b>41,054</b>
<b>Total cash and cash equivalents</b>	198,951	(157,897)	<b>41,054</b>

## **ABBERLEY HALL LIMITED**

### **Notes to the financial statements for the year ended 31 July 2022 (continued)**

#### **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 former 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 (2021: £21,833) and fees paid to Abberley Hall Enterprises Limited for use of the swimming pool totalled £58,946 (2021: £48,257), including irrecoverable VAT. During the year Abberley Hall Limited received £31,925 (2021: £16,583) from Abberley Hall Enterprises Limited for recharges of expenditure including fuel oil and wages. No cash (2021: £3,868) was collected on behalf of Abberley Hall Enterprises Limited by Abberley Hall Limited during the year. At the year end £299,459 (2021: £289,462) was owed by Abberley Hall Enterprises Limited to Abberley Hall Limited, however £132,959 has been provided for (2021: £126,887).

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 (2021: £Nil). At the year end £4,964 (2021: £4,964) 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 previous Director of Finance, who was a director in the previous year. During the year purchases of fuel oil and motor fuels amount in to £74,674 (2021: £51,243) and gas purchases were £15,660 (2021: £15,667).

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 1<sup>st</sup> 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 amounting to £113,813 (2021: £43,079) were recharged to Abberley Hall. £81,812 (2021: £16,338) 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 2022, 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 18 March 2023.

#### **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.

# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 July 2022 (continued)

### 21 Share Capital

	31 July 2022	31 July 2021
	£	£
Ordinary share capital: Issued and fully paid		
100 ordinary shares of £1 each	100	100

### 22 Commitments

At 31 July 2022, the School had no capital commitments (2021: £50,524, which had been approved but had not been contracted for relating to the refurbishment of the Old Theatre and roof repairs).

#### Operating leases

At 31 July 2022 the School had future total minimum lease payments under non-cancellable operating leases for each of the following periods:

	31 July 2022	31 July 2021
	£	£
Not later than one year	28,469	43,712

### 23 Post balance sheet events

The School has committed to an additional £0.5m loan from Malvern College. This will be covered by a charge against the assets in favour of Malvern College.

Malvern College informed the School that they would provide no further funding for the ongoing operations of Abberley for 2023/24 academic year. Malvern College has committed to provide a further £1m loan for 2022/23 academic year and £1m for closure costs to ensure an orderly closure in the event that the School is unable to continue operations – a loan agreement to this affect has been entered in to. A consultation process has been completed. The closure of the school post the 2022/23 academic year has been confirmed.

# ABBERLEY HALL LIMITED

## Notes to the financial statements for the year ended 31 July 2022 (continued)

### 24 Comparative SOFA

	Notes	Unrestricted Funds £	Restricted Funds £	Year ended 31 July 2021 £	11 months to 31 July 2020 £
<b>INCOME FROM:</b>					
<b>Charitable activities</b>					
School fees	2	2,133,747	-	<b>2,133,747</b>	2,594,730
Ancillary trading	3	136,054	-	<b>136,054</b>	239,111
<b>Trading activities</b>	3	52,288	-	<b>52,288</b>	80,065
<b>Profit on disposal of fixed assets</b>		-	-	-	23,577
<b>Interest received</b>		411	-	<b>411</b>	53
<b>Donations</b>	4	47,395	10,520	<b>57,915</b>	188,561
<b>TOTAL INCOME</b>		<b>2,369,895</b>	<b>10,520</b>	<b>2,380,415</b>	<b>3,126,097</b>
<b>EXPENDITURE ON:</b>					
<b>Raising funds</b>					
Financing costs	5	39,220	-	<b>39,220</b>	12,666
<b>Charitable Activities</b>					
Provision of education	5	3,355,011	7,087	<b>3,362,098</b>	3,505,790
Other	5				
<b>TOTAL EXPENDITURE</b>		<b>3,394,231</b>	<b>7,087</b>	<b>3,401,318</b>	<b>3,518,456</b>
<b>Net (expenditure) and net movement in funds</b>	6	<b>(1,024,336)</b>	<b>3,433</b>	<b>(1,020,903)</b>	<b>(392,359)</b>
<b>RECONCILIATION OF FUNDS</b>					
Funds balances b/f 1 August 2020	14	4,518,240	8,136	<b>4,526,376</b>	4,918,735
<b>Funds balance c/f 31 July 2021</b>	14	<b>3,493,904</b>	<b>11,569</b>	<b>3,505,473</b>	<b>4,526,376</b>