

**ALDRO SCHOOL
EDUCATIONAL TRUST LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

Company Number: 937890
Charity Number: 312072

**Jacob Cavenagh & Skeet
Chartered Accountants
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW**

**ALDRO SCHOOL
EDUCATIONAL TRUST LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

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ALDRO SCHOOL EDUCATIONAL TRUST LIMITED
GOVERNORS, OFFICERS AND ADVISORS
FOR THE YEAR ENDED 31 JULY 2016

Governors and Directors

The Governors of Aldro School are also the directors of the Aldro School Educational Trust Limited. They have all served in office throughout the year. They are:

Mrs M L Blake	
Mr K B Civval	
Mr B R Kirkpatrick	
Mr J F Perry	
Mr E R Reid	(appointed 17 November 2016)
Mr P Robinson (Chairman)	
Mr C Sheppard	(resigned 19 November 2015)
Mr C J Stafford	(resigned 16 June 2016)
Mr J D W Stileman	
Mr G T Williams	

Officers

The Headmaster:	Mr J A Hanson MMath (Oxon), MSc (Oxon), MPhil, PGCE, FIMA
The Bursar (& Company Secretary):	Mrs M Jackson MA

Address:	Lombard Street Shackleford Godalming Surrey GU8 6AS
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Registered Office:	5 Robin Hood Lane Sutton Surrey SM1 2SW
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Key Management Personnel

The Headmaster
The Bursar

Advisors

Bankers:	Barclays Bank Plc 1 Churchill Place London E14 5HP
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Solicitor:	Barlow Robbins 55-56 Quarry Street Guildford Surrey GU1 3UE
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Auditors:	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW
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Website

www.aldro.org

ALDRO SCHOOL EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 JULY 2016

The Governors of Aldro School present their Annual Report for the year ended 31 July 2016, together with the audited accounts for the year, which have been prepared in accordance with the Companies Act 2006, the Charities Act 2011, the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The annual report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

Structure, Governance and Management

The company was incorporated on 27 August 1968, and was registered with the Charity Commission and is governed by its Memorandum and Articles of Association. Company number: 937890. Charity number: 312072.

Recruitment and training of Governors

The School's elected Governors are appointed at a meeting of the Governors after testifying to the Declaration of Faith in writing. The Articles of Association allow for a minimum of three Governors on the Board and a maximum of ten. Each year one-third of the number of Governors in office are required to retire on rotation, but may then offer themselves for re-election if eligible. New Governors are inducted into the workings of the School, including Board policy and procedures, by a variety of means, including training provided by independent professional bodies.

Organisational management

The Governors, who are also the directors for company law purposes, are legally responsible for the overall management and control of the School, and meet termly. The work of implementing most of their policies, as well as the day to day management of the School, is delegated to the Headmaster and the Bursar. Certain responsibilities including those of a financial nature are further delegated to the Finance and General Purposes Committee which meets termly and reports to the Governors meetings.

Key Management Personnel

The key management personnel of the charity as listed on page 1 are in charge of directing, controlling, running and operating the charity on a day to day basis. All directors give of their time freely and no director received any remuneration in the year. Details of directors' expenses and related party transactions are disclosed in Note 7 to the financial statements. The pay of the Headmaster and other senior staff is reviewed annually; any pay increases are related to the outcome of the annual performance review.

Group structure and relationships

The School has a wholly-owned non-charitable trading subsidiary, Aldro Enterprises Limited. The trading performance and activities of Aldro Enterprises Limited are discussed on page 4.

Objectives and aims

The objects of the School, as set out in the Memorandum of Association, are the advancement of education.

Policy of the School

In accordance with the Memorandum of Association, Aldro is a day and boarding school educating boys aged 7 to 13 years. In furtherance of these objects the Directors, as the charity trustees, have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's published general guidance concerning the operation of the Public Benefit requirement under the Act.

Strategic Aim

In accordance with the Memorandum of Association, Aldro is a day and boarding school educating boys aged 7 to 13 years. The School's policy for the public benefit as a charitable independent school is to attain the highest academic standards whilst providing the boys with a full programme of extra curricular activity, founded on a strong Christian ethos, and giving them a full appreciation of moral and ethical values.

ALDRO SCHOOL EDUCATIONAL TRUST LIMITED
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 JULY 2016 (continued)

General objectives

The School's objectives were as follows:

- To ensure that the pupils and families are the primary recipients of benefit, but that the wider community would also benefit from having well-educated and well-rounded children growing up and integrating into society in general; that the whole population would benefit from their skills and talents nurtured in school, and that the country benefits from the fact that the School's pupils are not taking up a place at a State school; and
- To ensure that good practice in teaching, as disseminated by the Professional Bodies and by the Department for Education is incorporated into the curriculum, placing particular emphasis on the social skills of the pupils and monitoring each individual closely so that they may be given appropriate assistance, and to observe the needs of the pupils and their parents, and where possible and practical making reasonable adjustments to the School's service to take account of these needs.

Strategic Report

Objectives for the year

The School's objectives for the year under review were as follows:

- To ensure that all pupils of the School were transferred to their chosen Senior Schools at the end of their primary education;
- To ensure the continuation of a happy, caring atmosphere in the School and Boarding House;
- To promote mental health and well - being among boys and staff
- To provide a first class sport facility to promote healthy living and participation in sport;
- To promote life-learning among the staff and boys;
- To ensure that all of the meals served at school are prepared using fresh, seasonal and sustainable products
- To increase the number of boys

Longer-term objectives

The longer-term objectives of the School were as follows:

- To continue to deliver an excellent standard of education;
- To continue to offer a happy, caring Christian environment, in which the pupils can develop to their full potential; and
- To maintain the financial integrity of the School and to develop its facilities as and when appropriate.

Strategies to achieve the year's objectives

The strategies established by the School to achieve these objectives were as follows:

- To monitor the successes of pupils in Common Entrance examinations and Scholarship Tests;
- To provide tailor made advice to parents regarding future schools which offer the best fit for the sons;
- To monitor other performance measures, such as music examinations and competitive events;
- To observe the characters and personalities of the pupils and how they interact with their peers, staff, parents and the wider community;
- To equip parents and staff with the understanding how to promote resilience and mental health well-being among boys and staff;
- Prudent and vigorous financial management to increase the School's operating surplus; and
- To maintain the bursary scheme to provide greater access to boys who would otherwise be unable to afford the education provided at Aldro.

ALDRO SCHOOL EDUCATIONAL TRUST LIMITED
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 JULY 2016 (continued)

Achievements and Performance

Achievement of objectives for the year

The School achieved the following with reference to its objectives for the year:

- All of the 13+ Common Entrance candidates performed strongly in their exams and were offered places at their chosen schools. In addition, a record 20 scholarships were awarded to leavers,
- The Boarding House continues to have a happy, caring atmosphere, with no negative issues to note and growing interest in boys becoming boarders.
- Appointments of new heads of departments contributed to the focus on achievement whilst promoting emotional well-being among staff and boys.
- Introduction of formalised mentoring and lessons observations promotes the professional development among the staff;

Operational Performance

This year we have had a healthy number of pupils at the School.

Bursary Fund Policy and Grant Making

The Governors are committed to broad access to the school by offering to eligible parents means-tested financial support with the payment of school fees. Such support may be awarded in the form of a discount of up to 100% on tuition fees payable. The size of a bursary depends upon the financial, compassionate or other parental circumstances of applicants. Bursary awards are subject to repeat testing of parental means each year and may be varied upwards or downwards, depending on parental circumstances.

The means-tested bursary budget was maintained at 10 day places representing 3.8% of total fee income. Actual bursaries awarded amounted to £163,818 in 2016 (2015: £126,881). 22 pupils were assisted with fees via an Allowances Scheme, including 6 worth 75% or more of the fee, which reduced fee income by £142,025 in the year (2015: £114,380).

The school, for several years, has been supporting the charity Starfish Malawi, which supports educational and health projects in Malawi and we have direct links with a school in a village called Simawayaya. Aldro also supports other charities each year which helps create in our pupils an awareness of the wider social context of the education they receive at the school. The principal charity that has been supported for the last year has been Unique, a charity working with families affected by a rare chromosome disorder. Aldro also cooperates with Scripture Union by providing the facilities for summer camps at a subsidised rate.

Financial Review of the Year

The net expenditure for the year amounted to £114,350 which compares with net income of £72,759 in 2015. This includes net restricted expenditure of £3,592 (2015: net income of £86,889), leaving net expenditure of £110,758 (2015: £14,130) on unrestricted funds. This comparative increase in net expenditure was related mainly to exceptional non-recurring costs. The school continues to maintain strict control on running costs. The subsidiary company, Aldro Enterprises Limited, contributed during the year by supplying a service to parents. It gift aided net income from its commercial trading operations of £15,344 in 2015. A small loss was reported in 2015/16 due to commemorative books which were provided to staff to celebrate 75th anniversary of Aldro in Shackleford.

Investment Policy

Investments are governed by the Memorandum of Association, which permits funds to be invested in securities or property as may be thought fit. The current policy is to invest surplus cash balances in interest-bearing bank deposits at first class banking institutions. Bursary funds are invested in M&G Charifund, which aims to provide a high and growing income, whilst at the same time protecting their capital from the erosive effects of inflation over a rolling ten year period.

Reserves Policy

As stated in the accounts, the funds are split between those that are restricted for specific purposes and those available for other requirements of the School.

ALDRO SCHOOL EDUCATIONAL TRUST LIMITED
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 JULY 2016 (continued)

Reserves Policy (continued)

The Governors aim to maintain a level of 'free' reserves, reserves not committed or invested in tangible fixed assets, equivalent to one term's fees of approximately £1,200,000. As a result of building the Sports Hall, the School's balance sheet temporarily shows a net current liabilities position. A committed Revolving Credit Facility has been arranged to provide financial stability whilst the levels of free reserves are being restored.

Plans for the Future

Aldro strives to be an outstanding preparatory school comparable with the best in the UK in terms of breadth, depth and quality of achievement and the individual pupil's experience of life at school.

It is envisaged that the school will continue to attract the parents who are seeking to educate their sons in a single sex school with a Christian ethos with the numbers on roll increasing year on year. The boarding provision at Aldro will continue to respond to the changing needs of the parents by offering access to part time boarding to the boys alongside already established full boarding. This flexible approach has been proven to be very successful in allowing both the boys and the parents to embrace the benefits of the boarding at a pace suitable to each individual boy's needs - preparing the boys for the transition into senior schools of their choice. The boys will be offered the chance to experience the boarding during "Big Weekend" events when which specific year groups will be able to board throughout the weekend. The Headmaster has expanded our outreach to overseas marketing tours as well as visits to feeder schools in SW London and further visits are planned through 2017.

The appointment of the new Headmaster at the beginning of 2015/16 marked the beginning of the journey towards the community of life-long learners. The formalised programme of lessons observations combined with peer-to-peer triangulation will embed the excellent teaching across all of the subjects and also provide the staff with professional development opportunities. Mentoring, external training and sharing of good practise amongst staff are core to the school's investment in the staff. This extends into supporting initial teacher training, and the school is currently supporting the second student from a university PGCE course, alongside a number of students on work experience and 4 staff on QTS / Induction programmes alongside full-time teaching.

The curriculum, currently based around the common entrance syllabus, will continue to be enhanced by the inclusion of art, design technology, music and drama and a wide range of sports within the timetable. We already teach 2 languages, and will expand that to 3 from 2017. The newly appointed Head of DT intends to focus future projects on designs which define Aldro: chess sets, a project delivered in cooperation with the Art department; table tennis bats – to celebrate boys' new interest; bird huts. The boys will learn to understand the design and planning, tools and time management, material and food technologies. The school recognises the need to equip the boys with better hockey skills, as the sport is a part of the curriculum in many of the senior school. The boys will have the opportunity to improve their hockey skills – additional training session will be delivered during the first part of the Lent term, more coaching sessions taken at Charterhouse, and using Charterhouse coaches.

Pupils' Academic Progress Tracking has been established to ensure that the school not only brings the best out of the boys but allows them to reach their full potential in every aspect of the school life. Both attainment and effort are now monitored and tracked on a half termly basis with any divergence from the expected progress monitored and addressed. This will be developed to incorporate a greater range of tracking data to measure pupil progress rigorously. The appointment of the experience Head of Learning Support and new team will allow the department to provide early diagnosis of any learning difficulties and implement appropriate techniques to support the boys' needs, to include a more generous provision for EAL.

The School will continue to ever expand its focus on the pastoral well-being of the boys and staff. This academic year the boys, parents and staff were provided with mental health and resilience training – allowing all to recognise the vulnerabilities some may be facing. Pastoral Care Team is currently investigating how best to track pastoral matters across school which in conjunction with the academic progress tracking will provide a holistic view of each boy's journey throughout Aldro. This will lead to the anti-bullying Charter Mark.

The school recognises that the outstanding teaching has to be accompanied by the first class facilities. Ambitious plans aim to turn the Drama studio into a lecture theatre/ meeting rooms providing a bespoke environment to host inspirational speakers, group challenges, etc. further readying the boys for the transition to senior schools. In addition, the Boat House will be rebuilt to provide not only an excellent facility to enhance rowing at Aldro, but also a functional outdoor classroom and a much needed entertainment space for many events hosted throughout the year.

ALDRO SCHOOL EDUCATIONAL TRUST LIMITED
GOVERNORS' REPORT
FOR THE YEAR ENDED 31 JULY 2016 (continued)

Risk management

The Board, with particular assistance from a Risk Management Committee chaired by a Governor, the Bursar and other senior staff, continue to keep the School's activities under review, particularly with regard to any major risks that may arise from time to time as well as the systems and procedures established to manage them. They monitor the effectiveness of the system of internal controls and other viable means, including insurance cover where appropriate, by which those risks already identified can best be mitigated.

Based on this risk review, the Risk sub-committee considers the most relevant risks, and the means by which they may be mitigated, to be as follows:

- Increased pressure upon the numbers on roll related to the uncertain economic climate. The Governors are committed to minimise future fee increases to ensure that access to the School remains unaffected.
- Reputational risk is managed through School's commitment to its safeguarding policies, staff recruitment policies and excellent pastoral support for both boys and staff. The School is committed to promoting well-being among the pupils and staff.

Statement of Governors' Responsibilities

The trustees (who are also directors of Aldro School Educational Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which 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 trustees are required to:

- select suitable accounting policies and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its operations.

The trustees are responsible for keeping proper accounting records which 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

The Governors who held office at the date of approval of this Annual report as set out above each confirm that:

- so far as they were aware, there is no relevant audit information (information required by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- as directors of the company, they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution to re-appoint Jacob Cavenagh & Skeet as auditors will be proposed at the annual general meeting.

APPROVED BY THE BOARD OF GOVERNORS AND SIGNED ON ITS BEHALF BY:



P Robinson

16 March 2017

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ALDRO SCHOOL EDUCATIONAL TRUST LIMITED**

We have audited the financial statements of Aldro School Educational Trust Limited for the year ended 31 July 2016 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets (Consolidated and Company), the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and auditor

As explained more fully in the Statement of Governors' Responsibilities on page 5, the Governors (who are directors of the company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

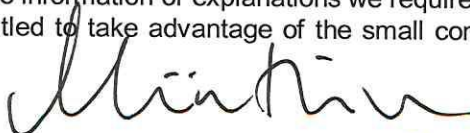
In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 July 2016, and of the group's 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.

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 or explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing a strategic report.



Miriam Hickson FCA, Senior Statutory Auditor for and on behalf of
Jacob Cavenagh & Skeet, Statutory Auditor
Chartered Accountants

ALDRO SCHOOL EDUCATIONAL TRUST LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
FOR THE YEAR ENDED 31 JULY 2016

	Note	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £
Income from:							
Charitable activities: fees receivable		3,709,421	-	3,709,421	3,779,416	-	3,779,416
Commercial trading operations	2	45,412	-	45,412	46,533	-	46,533
Rents receivable		-	-	-	275	-	275
Investments		294	-	294	7,444	-	7,444
Donations and legacies		4,038	27,435	31,473	873	142,907	143,780
Other sources		110,223	-	110,223	98,773	-	98,773
Total income		<u>3,869,388</u>	<u>27,435</u>	<u>3,896,823</u>	<u>3,933,314</u>	<u>142,907</u>	<u>4,076,221</u>
Expenditure on:							
Raising funds		-	2,277	2,277	-	43,619	43,619
Commercial trading operations	2	31,208	-	31,208	8,429	-	8,429
Charitable activities	3	3,948,938	29,167	3,978,105	3,939,015	12,713	3,951,728
Total expenditure	4	<u>3,980,146</u>	<u>31,444</u>	<u>4,011,590</u>	<u>3,947,444</u>	<u>56,332</u>	<u>4,003,776</u>
Net gains on investments		-	417	417	-	314	314
Net (expenditure)/income		(110,758)	(3,592)	(114,350)	(14,130)	86,889	72,759
Transfers between funds		-	-	-	431,454	(431,454)	-
Net movement in funds		(110,758)	(3,592)	(114,350)	417,324	(344,565)	72,759
Fund balances brought forward at 1 August 2015		<u>6,766,543</u>	<u>106,052</u>	<u>6,872,595</u>	<u>6,349,219</u>	<u>450,617</u>	<u>6,799,836</u>
Fund balances carried forward at 31 July 2016		<u>6,655,785</u>	<u>102,460</u>	<u>6,758,245</u>	<u>6,766,543</u>	<u>106,052</u>	<u>6,872,595</u>

The net movement in funds for the year arises from the charitable company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses are dealt with in the Statement of Financial Activities.

ALDRO SCHOOL EDUCATIONAL TRUST LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2016

	Note	2016		2015
		£	£	£
Fixed assets				
Tangible assets	8	7,293,368		7,499,797
Investments	9	<u>43,903</u>		<u>43,486</u>
		<u>7,337,271</u>		<u>7,543,283</u>
Current assets				
Stocks	10	44,252	62,533	
Debtors	11	139,813	110,089	
Cash at bank and in hand		<u>75,175</u>	<u>203,056</u>	
		<u>259,240</u>	<u>375,678</u>	
Creditors: Amounts falling due within one year	12	<u>581,418</u>	<u>615,048</u>	
Net current (liabilities)		(<u>322,178</u>)	(<u>239,370</u>)	
Total assets less current liabilities		7,015,093	7,303,913	
Creditors: Amount falling due after more than one year	13	(<u>256,848</u>)	(<u>431,318</u>)	
Net assets		<u>6,758,245</u>	<u>6,872,595</u>	
Unrestricted Funds	14			
General Fund		(<u>348,150</u>)	(<u>205,569</u>)	
Fixed Asset Fund		<u>7,003,935</u>	<u>6,972,112</u>	
		6,655,785	6,766,543	
Restricted Funds	15	<u>102,460</u>	<u>106,052</u>	
		<u>6,758,245</u>	<u>6,872,595</u>	

The financial statements were approved by the Board of Governors on 16 March 2017 and signed on their behalf by:

P Robinson



)
)
) Members of the
) Board of Governors

B R Kirkpatrick



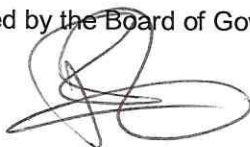
ALDRO SCHOOL EDUCATIONAL TRUST LIMITED (Company number 937890)
COMPANY BALANCE SHEET
AS AT 31 JULY 2016

	Note	£	2016	£	£	2015	£
Fixed assets							
Tangible assets	8		7,293,368			7,499,797	
Investments	9		<u>43,905</u>			<u>43,488</u>	
			<u>7,337,273</u>			<u>7,543,285</u>	
Current assets							
Debtors	11	225,066			186,466		
Cash at bank and in hand		<u>30,218</u>			<u>184,173</u>		
		255,284			370,639		
Creditors: Amounts falling due within one year	12	<u>579,588</u>			<u>613,338</u>		
Net current (liabilities)/assets			(324,304)			(242,699)	
Total assets less current liabilities			7,012,969			7,300,586	
Creditors: Amount falling due after more than one year	13		(256,848)			(431,318)	
Net assets			<u>6,756,121</u>			<u>6,869,268</u>	
Unrestricted Funds	14						
General Fund		(350,274)			(208,896)		
Fixed Asset Fund		<u>7,003,935</u>			<u>6,972,112</u>		
			6,653,661			6,763,216	
Restricted Funds	15		<u>102,460</u>			<u>106,052</u>	
			<u>6,756,121</u>			<u>6,869,268</u>	

As permitted by S408 of the Companies Act 2006, no separate Statement of Financial Activities for the company is included in these group accounts. The company's net expenditure for the year was £113,147 (2015: net income of £72,759).

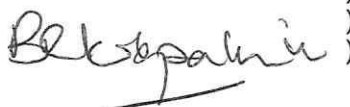
The financial statements were approved by the Board of Governors on 16 March 2017 and signed on their behalf by:

P Robinson



)
)
) Members of the
) Board of Governors

B R Kirkpatrick



ALDRO SCHOOL EDUCATIONAL TRUST LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2016

	2016	2015
	£	£
Cash provided by operating activities (see below)	258,735	359,373
Cash flows from investing activities		
Interest received	294	7,444
Payments for fixed asset additions	(171,079)	(2,363,142)
Cash (used in) investing activities	(170,785)	(2,355,698)
Cash flows from financing activities		
Interest paid	(6,805)	(6,739)
(Repayments)/drawdowns of long term loans	(209,026)	81,482
Cash (used in)/provided by financing activities	(215,831)	74,743
Net cash (outflow)	(127,881)	(1,921,582)
Cash and cash equivalents at 1 August 2015	203,056	2,124,638
Cash and cash equivalents at 31 July 2016	<u>75,175</u>	<u>203,056</u>
Note: Cash flows from operating activities		
Net (expenditure)/income	(114,350)	72,759
Interest receivable included in investing activities	(294)	(7,444)
Interest payable included in financing activities	6,805	6,739
Depreciation	377,508	267,542
Net (gains) on investments	(417)	(314)
Decrease/(increase) in stocks	18,281	(17,455)
(Increase)/decrease in debtors	(29,724)	4,988
Increase in creditors	926	32,558
Cash provided by operating activities	<u>258,735</u>	<u>359,373</u>

ALDRO SCHOOL EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

1 ACCOUNTING POLICIES

Aldro School Educational Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Lombard Street, Shackleford, Godalming, Surrey GU8 6AS.

(a) Basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of investments at fair value. The principal accounting policies adopted are set out below.

These financial statements consolidate the results of the company and its wholly-owned trading subsidiary, Aldro Enterprises Limited, on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the company itself is not presented because the company has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006 and paragraph 15.17 of SORP 2015. The company's net incoming resources for the year are as shown in the consolidated Statement of Financial Activities.

(b) Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

(c) Reconciliation with previous UK Generally Accepted Accounting Practice

In preparing the financial statements, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

The net income for the year under previous United Kingdom Generally Accepted Accounting Practice has been adjusted for the presentation of investment gains as a component of reported income. In accordance with the requirements of FRS 102 reconciliation of net income is provided as follows:

Reconciliation of reported net income

	£
Net income as previously stated	72,445
Adjustment for net investment gains now treated as a component of net income	314
2015 net income as restated	<u>72,759</u>

(d) Fees receivable

Fees receivable are stated net, after deducting allowances and scholarships, and are recognised in the year to which they relate.

(e) Income from other sources

Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income, it is probable the income will be received and the amount of income receivable can be reliably measured. Where material assets are donated to the company for its use, these are capitalised at the estimated market value at the date of the gift and included under income.

ALDRO SCHOOL EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016
 (continued)

1 ACCOUNTING POLICIES (continued)

(f) Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities.

Charitable activities

All direct expenditure in respect of the provision of educational facilities including bursaries and boarding accommodation.

Governance costs

These comprise the costs of running the company, including strategic planning for its future development, external audit and other costs of complying with constitutional and statutory requirements. It includes a proportion of salary costs based on an estimate of time spent by the appropriate staff members and is included in support costs.

(g) Tangible fixed assets

The cost of tangible fixed assets is written off by equal annual instalments over their expected useful lives as follows:

Freehold buildings	1-4%	per annum on cost
Car-park Surfacing	25%	per annum on cost
Furniture and equipment	10%	on the reducing balance basis
Computers	25%	per annum on cost
Vehicles	25%	on the reducing balance basis

Items with a purchase cost of £1,000 or below are written off as an expense in the year of acquisition. Freehold land is not depreciated.

(h) Investments

Listed investments are stated at market value. Investments in subsidiaries are stated at cost where this is not significantly different to market value. Unrealised gains and losses are recognised in the Statement of Financial Activities as a component of net income or expenditure.

(i) Stocks

Stocks of food and clothing are valued at the lower of cost and net realisable value.

(j) Debtors

Fees and extras receivable and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

(k) Cash and cash equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

(l) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount. Concessionary loans are included at historic cost.

(m) Financial instruments

The charity only has financial assets and 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.

ALDRO SCHOOL EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016
(continued)

(n) Operating leases

Operating lease rentals are charged to the statement of financial activities as incurred and the rentals outstanding over the remaining lease term disclosed.

(o) Pension costs

The School contributes to the Teachers' Pension Scheme at rates set by the Scheme Actuary and as advised by the Scheme Administrator. The scheme is a multi-employer, defined benefit pension scheme and as such it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS17, the Scheme is accounted for as a defined contribution scheme. The School also contributes to a defined contribution scheme for non-teaching staff. The assets of the Scheme are held separately from those of the School in an independently administered fund. Contributions to both Schemes are charged to the SOFA as they become payable in accordance with the Rules of the Schemes.

(p) Funds

Restricted funds are funds subject to specific trust, which may be declared by the donor or with their authority but still within the objects of the charity. Unrestricted funds are expendable at the discretion of the directors, in furtherance of the objects of the charity.

2 COMMERCIAL TRADING OPERATIONS**Summary profit and loss account**

	Aldro Enterprises Limited	
	2016	2015
	£	£
Turnover	29,419	22,300
Rent receivable	15,993	23,778
Other income	-	455
Cost of sales and administration expenses	(31,208)	(15,923)
Rent Payable	(15,000)	(15,000)
	(796)	15,610
Interest payable	(407)	(266)
Net profit	(1,203)	15,344
Amount gifted to the company	-	(15,344)
Retained in subsidiary company	(1,203)	-

3 CHARITABLE ACTIVITIES

	2016	2015
	£	£
Bursaries	163,818	126,881
Teaching	1,920,569	1,878,611
Premises	757,307	748,499
Household expenses	508,772	529,879
Support costs of schooling	627,639	667,858
	<u>3,978,105</u>	<u>3,951,728</u>

4 TOTAL EXPENDITURE

	Grants	Staff costs	Depreciation	Other costs	2016 Total	2015 Total
	£	£	£	£	£	£
Costs of generating voluntary income	-	-	-	2,277	2,277	43,619
Commercial trading	-	1,379	-	29,829	31,208	8,429
Bursaries	163,818	-	-	-	163,818	126,881
Direct costs of charitable activities	-	2,104,492	-	740,772	2,845,264	2,935,696
Support costs	-	331,453	377,508	238,830	947,791	869,295
Governance costs	-	6,951	-	14,281	21,232	19,856
	<u>163,818</u>	<u>2,444,275</u>	<u>377,508</u>	<u>1,025,989</u>	<u>4,011,590</u>	<u>4,003,776</u>

ALDRO SCHOOL EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016 (continued)

5	NET (EXPENDITURE)/INCOME	2016	2015
		£	£
	This is stated after charging:		
	Interest payable on bank overdrafts and loans	6,805	6,739
	Auditors' remuneration – audit	5,490	4,920
	– other services	8,791	9,589
	Depreciation	377,508	267,542
	Operating lease rentals	<u>15,064</u>	<u>15,725</u>

The company is registered with the Charity Commission as an educational charity and is exempt from corporation taxation on its charitable activities.

6	STAFF COSTS	2016	2015
		£	£
	Wages and salaries	2,034,505	2,107,264
	Social security costs	168,432	157,184
	Pension costs	<u>241,338</u>	<u>220,087</u>
		<u>2,444,275</u>	<u>2,484,535</u>

The average number of full time equivalent employees during the year, excluding the Governors, was made up as follows:

	2016	2015
	No	No
Teaching staff	29	30
Teaching support staff	6	5
Domestic and matrons	7	8
Maintenance	3	2
Administration	8	8
Catering	<u>10</u>	<u>9</u>
	<u>63</u>	<u>62</u>

One employee who is accruing benefits under the Teachers Pension Scheme earned between £70,000 and £80,000 (2015: One).

During the year, £nil (2015: £98,088) was paid for non-contractual severance payments, in addition to the staff costs above. These are recognised when legal agreement is reached.

Total remuneration of key management personnel during the year amounted to £151,993 (2015: £243,904).

7	RELATED PARTY TRANSACTIONS	2016	2015
		£	£
	Remuneration paid to Governors	-	-
	Reimbursements of Governors training expenses to third parties	275	633
	Reimbursements of travel expenses to 6 (2015: 6) Governors	<u>1,969</u>	<u>4,412</u>

During the year, total donation income of £nil (2015: £13,063) was received from Governors.

Members of the close family of the key management personnel received salary of £18,799 (2015: £24,140), employer's pension contributions of £715 (2015: £Nil).

No other transactions took place between the company and the Governors or its key management personnel.

ALDRO SCHOOL EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016
(continued)

8 TANGIBLE FIXED ASSETS – GROUP AND COMPANY

	<i>Freehold land and buildings £</i>	<i>Furniture and equipment £</i>	<i>Motor vehicles £</i>	<i>Total £</i>
Cost				
At 1 August 2015	10,283,972	1,062,567	90,289	11,436,828
Additions	17,820	153,259	-	171,079
Disposals	-	-	-	-
At 31 July 2016	<u>10,301,792</u>	<u>1,215,826</u>	<u>90,289</u>	<u>11,607,907</u>
Depreciation				
At 1 August 2015	3,082,700	788,404	65,927	3,937,031
Charge for the year	309,229	62,188	6,091	377,508
Released on disposal	-	-	-	-
At 31 July 2016	<u>3,391,929</u>	<u>850,592</u>	<u>72,018</u>	<u>4,314,539</u>
Net book value				
At 31 July 2016	<u>6,909,863</u>	<u>365,234</u>	<u>18,271</u>	<u>7,293,368</u>
At 31 July 2015	<u>7,201,272</u>	<u>274,163</u>	<u>24,362</u>	<u>7,499,797</u>

9 INVESTMENTS

	<i>Group</i>			<i>Company</i>		
	<i>Listed investments £</i>	<i>Shares in subsidiary undertakings £</i>	<i>Total £</i>	<i>Listed investments £</i>	<i>Shares in subsidiary undertakings £</i>	<i>Total £</i>
Market value						
At 1 August 2015	43,486	-	43,486	43,486	2	43,488
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluation	417	-	417	417	-	417
At 31 July 2016	<u>43,903</u>	<u>-</u>	<u>43,903</u>	<u>43,903</u>	<u>2</u>	<u>43,905</u>

The company owns 100% of the ordinary £1 share capital of Aldro Enterprises Limited which is incorporated in England & Wales.

10 STOCKS

	<i>Group</i>		<i>Company</i>	
	<i>2016 £</i>	<i>2015 £</i>	<i>2016 £</i>	<i>2015 £</i>
Goods for resale	44,252	62,533	-	-
Catering and other stocks	-	-	-	-
	<u>44,252</u>	<u>62,533</u>	<u>-</u>	<u>-</u>

11 DEBTORS

	<i>Group</i>		<i>Company</i>	
	<i>2016 £</i>	<i>2015 £</i>	<i>2016 £</i>	<i>2015 £</i>
Fees receivable	39,532	8,886	39,532	8,886
Debt Provision	(13,212)	(2,572)	(13,212)	(2,572)
Amounts owed by group undertakings	-	-	87,002	76,377
Prepayments and accrued income	<u>113,493</u>	<u>103,775</u>	<u>111,744</u>	<u>103,775</u>
	<u>139,813</u>	<u>110,089</u>	<u>225,066</u>	<u>186,466</u>

ALDRO SCHOOL EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016
(continued)

12 CREDITORS: Amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loan (secured)	32,585	67,141	32,585	67,141
Trade creditors	36,186	62,157	36,186	62,157
Fees payable in advance	174,335	122,385	174,335	122,385
Other taxes and social security	48,854	-	48,854	-
Sundry creditors	213,460	180,241	213,460	180,241
Accruals	<u>75,998</u>	<u>183,124</u>	<u>74,168</u>	<u>181,414</u>
	<u>581,418</u>	<u>615,048</u>	<u>579,588</u>	<u>613,338</u>

The bank overdraft facility, loan and £1.5m credit facility are secured by a fixed charge over the school's freehold land and buildings. The value of these liabilities represents 4% of the assets charged. Interest on the bank loan is payable at 1.25% above Barclays' base rate. The bank loan is to be repaid by 2024 at the latest.

13 CREDITORS: Amounts falling due in more than one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loan (secured)				
Due less than 1 year	32,585	67,141	32,585	67,141
Due within 1 – 2 years	32,208	72,066	32,208	72,066
Due within 2 – 5 years	101,053	359,252	101,053	359,252
Due in more than 5 years	<u>123,587</u>	<u>-</u>	<u>123,587</u>	<u>-</u>
	<u>256,848</u>	<u>431,318</u>	<u>256,848</u>	<u>431,318</u>

14 UNRESTRICTED FUNDS

Group	Opening balance	Income	Expenditure	Released/Transfers	Closing balance
	£	£	£	£	£
General Unrestricted Fund	(205,569)	3,869,388	(3,980,146)	(31,823)	(348,150)
Fixed Asset Fund	<u>6,972,112</u>	<u>-</u>	<u>-</u>	<u>31,823</u>	<u>7,003,935</u>
	<u>6,766,543</u>	<u>3,869,388</u>	<u>(3,980,146)</u>	<u>-</u>	<u>6,655,785</u>
Company	Opening balance	Income	Expenditure	Released/Transfers	Closing balance
	£	£	£	£	£
General Unrestricted Fund	(208,896)	3,839,383	(3,948,938)	(31,823)	(350,274)
Fixed Asset Fund	<u>6,972,112</u>	<u>-</u>	<u>-</u>	<u>31,823</u>	<u>7,003,935</u>
	<u>6,763,216</u>	<u>3,839,383</u>	<u>(3,948,938)</u>	<u>-</u>	<u>6,653,661</u>

The fixed asset fund is maintained at an amount equal in total to the school's fixed assets less mortgages secured on those assets, and a transfer is made equivalent to the net movement in fixed assets and mortgages.

ALDRO SCHOOL EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016
 (continued)

17 GROUP FINANCIAL COMMITMENTS

The company has financial commitments in respect of non-cancellable operating leases of plant and machinery. At 31 August 2016, the outstanding commitments for non-cancellable operating leases fall due as follows:

	2016	2015
	£	£
Within one year	15,064	15,064
Between two and five years	<u>14,092</u>	<u>29,198</u>
	<u>29,156</u>	<u>44,262</u>

18 CONSTITUTION OF THE COMPANY

The company is limited by guarantee, and each member is under covenant to contribute a sum not exceeding one pound sterling in certain circumstances as set out in Clause 6 of the Memorandum of Association. The number of members at 31 July 2016 was 7 (2015: 9).

19 PENSION COMMITMENTS

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. The School accounts for this scheme as if it were a defined contribution scheme. The pension charge for the year includes contributions payable to the TPS of £204,531 (2015: £176,142) and at the year-end £nil (2015: £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' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate for the TPS will increase from 14.1% to 16.4% from 1 September 2015. Employers will in addition from 1 September 2015 pay a scheme administration levy of 0.08% of the employers' salary costs which will increase the total employer payment rate from 16.4% to 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the next actuarial valuation which is due at 31 March 2016. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

The school also makes contributions to a defined contribution scheme for non-teaching staff. Contributions paid during the year were £36,807 (2015: £43,945).