

Company Registration No. 03013551 (England and Wales)

ABERCORN SCHOOL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



ABERCORN SCHOOL LIMITED

COMPANY INFORMATION

Directors	A S Greystoke J D Clarke S P Redrupp A M F Snell
Secretary	Prism Cosec Limited
Company number	03013551
Registered office	Elder House St Georges Business Park Brooklands Road Weybridge Surrey United Kingdom KT13 0TS
Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

ABERCORN SCHOOL LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 6
Profit and loss account	7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 26

ABERCORN SCHOOL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The directors present the strategic report for the year ended 31 August 2020.

Fair review of the business

The year has not been without its challenges and uncertainties. In March 2020, when all Schools closed due to the Covid-19 pandemic, the School adapted responsively and creatively to maintain excellent provision of education to every pupil. The focus was to ensure the School offered an engaging and effective remote provision of many live lessons, managing the pupils and staff's wellbeing and managing the financial loss due to the difficult economic circumstances.

The ongoing economic uncertainty and travel restrictions, arising from the pandemic and Brexit have impacted adversely on the group and pupil numbers. Steps are being taken to address this, and as a result the directors confidently expect pupil numbers to improve.

In view of the above the results for the year and financial position of the Company at the year ended were considered satisfactory. The loss for the year amounted to £1,391,250 (2019: loss £204,467). No dividends were paid or proposed during the year ended 31st August 2020.

During the year ended 31 August 2020 the company made a full debtors impairment provision against the balance due from Abercorn Education Limited, a fellow group company.

Principal risks and uncertainties

The principal risks and uncertainties that the group are facing are:

- Increasing pupil numbers in a competitive market
- General economic factors affecting demand for private education in London

Development and performance

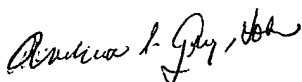
The core focus of the Company will be to ensure the continued provision of first class education in a safe and caring environment, coupled with an increase in pupil numbers at the school.

Key performance indicators

The Company's key performance indicators are pupil numbers and academic achievement. Pupil numbers for the Company have reduced in the year, a reflection of the current economic climate and overall uncertainty. Academic results in the established schools continue to be excellent. A rolling programme of events in the school promotes awareness of the school, its achievements, curriculum, teaching methods, staff, and availability of places for a given academic year.

The directors keep the Company's activities under review, particularly with regard to any major risks, such as pupil numbers, staff retention, pupil welfare and achievements that may arise from time to time and monitor the effectiveness of the system of internal controls and other means, including insurance cover, where appropriate, by which those risks already identified by the school can be mitigated.

On behalf of the board



.....
A S Greystoke

Director

6 May 2021
.....

ABERCORN SCHOOL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The directors present their annual report and financial statements for the year ended 31 August 2020.

Principal activities

The principal activity of the company continued to be that of running a nursery, pre-preparatory and preparatory school.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A S Greystoke

J D Clarke

S P Redrupp

D W Morse

(Resigned 1 March 2021)

A M F Snell

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ABERCORN SCHOOL LIMITED


DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



A S Greystoke

Director

Date: 6 May 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ABERCORN SCHOOL LIMITED**

Opinion

We have audited the financial statements of Abercorn School Limited (the 'company') for the year ended 31 August 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 31 August 2020 and of its loss 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF ABERCORN SCHOOL LIMITED

Other information

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

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

We have nothing to report in this regard.

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 strategic report and the directors' report 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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:

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF ABERCORN SCHOOL LIMITED

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <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 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 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.



Colin Wright (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

17 May 2021

Chartered Accountants
Statutory Auditor

ABERCORN SCHOOL LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2019 £
Turnover	3	6,091,706	6,803,982
Cost of sales		(3,730,431)	(4,331,801)
Gross profit		2,361,275	2,472,181
Administrative expenses		(3,741,681)	(2,672,950)
Operating loss	4	(1,380,406)	(200,769)
Interest receivable and similar income	7	6,730	2,915
Interest payable and similar expenses	8	(22,128)	(8,673)
Loss before taxation		(1,395,804)	(206,527)
Tax on loss	9	4,554	2,060
Loss for the financial year		(1,391,250)	(204,467)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ABERCORN SCHOOL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

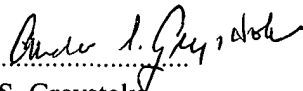
FOR THE YEAR ENDED 31 AUGUST 2020

	2020	2019
	£	£
Loss for the year	(1,391,250)	(204,467)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(1,391,250)</u>	<u>(204,467)</u>

ABERCORN SCHOOL LIMITED**BALANCE SHEET****AS AT 31 AUGUST 2020**

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Intangible assets	10		5,149		7,958
Tangible assets	11		75,911		82,684
			<u>81,060</u>		<u>90,642</u>
Current assets					
Debtors	12	4,291,180		6,707,907	
Cash at bank and in hand		807		1,007	
		<u>4,291,987</u>		<u>6,708,914</u>	
Creditors: amounts falling due within one year	13	<u>(2,921,901)</u>		<u>(3,757,484)</u>	
Net current assets			<u>1,370,086</u>		<u>2,951,430</u>
Total assets less current liabilities			<u>1,451,146</u>		<u>3,042,072</u>
Creditors: amounts falling due after more than one year	14		(1,107,164)		(1,302,567)
Provisions for liabilities	17		(11,136)		(15,409)
Net assets			<u><u>332,846</u></u>		<u><u>1,724,096</u></u>
Capital and reserves					
Called up share capital	20		593,204		593,204
Share premium account			27,242		27,242
Profit and loss reserves			(287,600)		1,103,650
Total equity			<u><u>332,846</u></u>		<u><u>1,724,096</u></u>

The financial statements were approved by the board of directors and authorised for issue on 6 May 2021 and are signed on its behalf by:


A S Greystoke
Director

Company Registration No. 03013551

ABERCORN SCHOOL LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2020

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 September 2018	593,204	27,242	1,308,117	1,928,563
Year ended 31 August 2019:				
Loss and total comprehensive income for the year	-	-	(204,467)	(204,467)
Balance at 31 August 2019	593,204	27,242	1,103,650	1,724,096
Year ended 31 August 2020:				
Loss and total comprehensive income for the year	-	-	(1,391,250)	(1,391,250)
Balance at 31 August 2020	593,204	27,242	(287,600)	332,846

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Company information

Abercorn School Limited is a private company limited by shares incorporated in England and Wales. The registered office is Elder House St Georges Business Park, Brooklands Road, Weybridge, Surrey, United Kingdom, KT13 0TS.

1.1 Accounting convention

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”) and the requirements of the Companies Act 2006.

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 under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 ‘Statement of Financial Position’ – Reconciliation of the opening and closing number of shares;
- Section 7 ‘Statement of Cash Flows’ – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues’ – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 ‘Related Party Disclosures’ – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of its parent company, Sea Cloud 1 Limited. Those consolidated financial statements are available from Companies House.

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.2 Going concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The directors have made this assessment in respect to a period of one year from the date of approval of these financial statements. The School's activities have been impacted by Brexit and the COVID-19 pandemic, which occurred before these financial statements were approved and the continuance of the pandemic has been taken into account in the going concern assessment.

The School is dependent on the number of pupils applying to and continuing their education at the School. Long term forecasting of pupil numbers is difficult, but work continues to raise the School's profile and to maintain and enhance relationships with current and prospective parents, nurseries, and other relevant interested parties, through a number of new initiatives.

The School is also dependent on continuing financial support from a related group, Sea Cloud 2 Limited, operating a school in New York.

The company meets its day-to-day working capital requirements through an overdraft facility that is due for renewal in July 2022, along with the group's long term bank loan facility.

The company's forecasts and projections, taking account of reasonably possible changes in pupil numbers as the School emerges from Covid and the economy recovers, and receipt of working capital funds from the related group, show that, although there are projected operating losses, the company should be able to operate within the level of its current facility for the next 12 months. The company will open renewal negotiations with the bank in due course and has, at this stage, not sought any written commitment that the facility will be renewed after July 2022.

The directors have concluded that notwithstanding the uncertainties highlighted above, they are not material to cast doubt on the ability of the School to continue as a going concern. As such the School expects to be able to meet its liabilities as they fall due in the period of at least 12 months from the date of approval of these financial statements. However, there can be no certainty in relation to these matters. On this basis the directors have concluded that the School is a going concern. The financial statements do not include any adjustments that would result from the School not being able to meet its liabilities as they fall due.

1.3 Turnover

All turnover is generated in the UK, through the provision of services and predominantly represents school fees receivable. Fees are received in advance and recognised over the term to which they relate. Any fees relating to the following year(s) are deferred in the accounts.

1.4 Intangible fixed assets other than goodwill

Intangible assets represents software licenses and are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.12 Retirement benefits

For the period up to 31 December 2019, full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the school is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The school has therefore taken advantage of the exemption in Financial Reporting Standard FRS 102 and treated the TPS as a defined contribution scheme. The pension costs for the scheme represents contributions paid by the School for the period.

From 1 January 2020 onwards the school's teaching staff contribute to the Aviva Pension Trust for Independent Schools (APTIS). The APTIS is a defined contribution retirement benefit scheme and payments are charged as an expense as they fall due.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ABERCORN SCHOOL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2020****3 Turnover and other revenue**

An analysis of the company's turnover is as follows:

	2020	2019
	£	£
Turnover analysed by class of business		
Tuition fees	6,091,706	6,803,982
	<u>6,091,706</u>	<u>6,803,982</u>
	2020	2019
	£	£
Other significant revenue		
Interest income	6,730	2,915
	<u>6,730</u>	<u>2,915</u>
	2020	2019
	£	£
Turnover analysed by geographical market		
United Kingdom	6,091,706	6,803,982
	<u>6,091,706</u>	<u>6,803,982</u>

4 Operating loss

	2020	2019
	£	£
Operating loss for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	16,369	22,074
Depreciation of owned tangible fixed assets	38,063	54,937
Depreciation of tangible fixed assets held under finance leases	-	4,800
Amortisation of intangible assets	2,809	2,809
Exceptional bad debt provision (note 12)	1,153,046	-
Operating lease charges	-	3,578
	<u>1,199,287</u>	<u>87,200</u>

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Education	81	91
Domestic and maintenance	5	5
Administration	15	17
Total	<u>101</u>	<u>113</u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	3,154,231	3,556,341
Social security costs	361,133	376,280
Pension costs	386,554	349,915
	<u>3,901,918</u>	<u>4,282,536</u>

6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	187,984	162,942
Company pension contributions to defined contribution schemes	26,550	23,087
	<u>214,534</u>	<u>186,029</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	3	8
Other interest income	6,727	2,907
	<u>6,730</u>	<u>2,915</u>
Total income	<u><u>6,730</u></u>	<u><u>2,915</u></u>

8 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	22,128	8,673
	<u>22,128</u>	<u>8,673</u>

9 Taxation

	2020	2019
	£	£
Current tax		
Adjustments in respect of prior periods	(281)	2,122
	<u>(281)</u>	<u>2,122</u>
Deferred tax		
Origination and reversal of timing differences	(4,273)	(4,182)
	<u>(4,273)</u>	<u>(4,182)</u>
Total tax credit	<u><u>(4,554)</u></u>	<u><u>(2,060)</u></u>

ABERCORN SCHOOL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2020****9 Taxation****(Continued)**

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Loss before taxation	(1,395,804)	(206,527)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(265,203)	(39,240)
Tax effect of expenses that are not deductible in determining taxable profit	223,168	7,011
Adjustments in respect of prior years	(281)	1,841
Effect of change in corporation tax rate	-	773
Group relief	34,734	27,001
Permanent capital allowances in excess of depreciation	1,813	-
Other permanent differences	1,215	554
Taxation credit for the year	(4,554)	(2,060)

10 Intangible fixed assets

	Software licenses £
Cost	
At 1 September 2019 and 31 August 2020	14,044
Amortisation and impairment	
At 1 September 2019	6,086
Amortisation charged for the year	2,809
At 31 August 2020	8,895
Carrying amount	
At 31 August 2020	5,149
At 31 August 2019	7,958

ABERCORN SCHOOL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2020****11 Tangible fixed assets**

	Fixtures, fittings & equipment £
Cost	
At 1 September 2019	1,135,416
Additions	31,290
Disposals	(50,739)
At 31 August 2020	<u>1,115,967</u>
Depreciation and impairment	
At 1 September 2019	1,052,732
Depreciation charged in the year	38,063
Eliminated in respect of disposals	(50,739)
At 31 August 2020	<u>1,040,056</u>
Carrying amount	
At 31 August 2020	<u>75,911</u>
At 31 August 2019	<u>82,684</u>

12 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	1,100,562	1,126,922
Corporation tax recoverable	2,403	-
Amount due from parent undertaking	2,631,115	4,026,689
Amounts due from fellow group undertakings	-	1,308,971
Amounts due from related parties (note 23)	458,580	144,501
Other debtors	33,988	38,096
Prepayments and accrued income	64,532	62,728
	<u>4,291,180</u>	<u>6,707,907</u>

During the year ended 31 August 2020 the company made a full bad debt provision of £1,153,046 against the balance due from Abercorn Education Limited, a fellow group company.

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

13 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	15	66,586	157,783
Obligations under finance leases	16	-	4,381
Trade creditors		34,003	42,588
Amounts due to related parties (note 23)		-	95,746
Other creditors and deposits		841,428	1,071,806
Accruals and deferred income		1,979,884	2,385,180
		<u>2,921,901</u>	<u>3,757,484</u>

Accruals and deferred income includes deferred income of £1,586,274 (2019: £2,042,706).

Other creditors and deposits includes deposits of £805,900 (2019: £1,029,929) due within one year.

14 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other creditors and deposits	<u>1,107,164</u>	<u>1,302,567</u>

Within other creditors are deposits held that will fall due after one year of £1,106,414 (2019: £1,301,817).

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Loans and overdrafts

	2020	2019
	£	£
Bank overdrafts	66,586	157,783
	<u>66,586</u>	<u>157,783</u>
Payable within one year	66,586	157,783
	<u>66,586</u>	<u>157,783</u>

The bank overdraft is secured over the assets of Abercorn School Limited and the assets of Abercorn Education Limited, a fellow subsidiary company.

16 Finance lease obligations

	2020	2019
	£	£
Future minimum lease payments due under finance leases:		
Within one year	-	4,381
	<u>-</u>	<u>4,381</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

17 Provisions for liabilities

		2020	2019
	Notes	£	£
Deferred tax liabilities	18	11,136	15,409
		<u>11,136</u>	<u>15,409</u>

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	11,136	15,409
	<u>11,136</u>	<u>15,409</u>
Movements in the year:		2020 £
Liability at 1 September 2019		15,409
Credit to profit or loss		(4,273)
Liability at 31 August 2020		<u>11,136</u>

19 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	386,554	349,915
	<u>386,554</u>	<u>349,915</u>

20 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
2,372,516 Ordinary shares of 25p each	593,129	593,129
100 Founder shares of 75p each	75	75
	<u>593,204</u>	<u>593,204</u>

21 Financial commitments, guarantees and contingent liabilities

The company has given a cross guarantee in respect of the bank borrowings of Abercorn Education Limited, a wholly owned subsidiary of Sea Cloud 1 Limited. At 31 August 2020, these borrowings amounted to £5,220,628 (2019: £5,285,463).

ABERCORN SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Related party transactions

At the balance sheet date the company was owed £367,097 (2019: £144,501) by British International School of New York. Amounts due from Astroline Limited amounted to £91,483 (2019: Creditor £95,746). These companies are controlled by A S Greystoke.

The company has taken advantage of the exemption available in FRS 102 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

23 Ultimate controlling party

The parent company of Abercorn School Limited is Sea Cloud 1 Limited, a company registered in England and Wales. Sea Cloud 1 Limited is the largest company for which consolidated group financial statements are prepared. Group financial statements and copies are available from Companies House.

The company's ultimate controlling party is A S Greystoke.