

Registered number: 00910421
Charity number: 310490

OLD BUCKENHAM HALL (BRETtenham) EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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OLD BUCKENHAM HALL (BRETtenham) EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)

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OLD BUCKENHAM HALL (BRETtenham) EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Governors

Mr M D Angela (resigned 10 June 2016)
Mr N Bullen, Chairman
Mrs C E A Crawshay
Mr H G B Derrick
Mr A W G Dixon-Smith
Mrs M Dowie (resigned 10 June 2016)
Mr D J M Liddell
Mr C J Minter
Mr W G A Moore (resigned 10 June 2016)
Mr N Page
Mrs H K W Pryke
Mr D J E Sewell
Mrs E L Shelley
Ms E C Custodio (appointed 4 March 2016, resigned 27 January 2017)
Ms L H Martin (appointed 10 June 2016)
Mr E G Mason (appointed 10 June 2016)
Mrs N J Harrison (appointed 25 November 2016)
Mrs S Kerr-Dineen (appointed 3 March 2017)
Mrs M K Weller-Poley (appointed 25 November 2016)

Company registered number

00910421

Charity registered number

310490

Registered office

Brettenham Park, Ipswich, Suffolk, IP7 7PH

Senior management team

Mr T O'Sullivan, Headmaster
Mrs J Campbell, Deputy Head
Mr A Baker, Deputy Head
Mrs S-A Angel, Bursar
Mr C Bunting, Senior Master
Mrs C Webster, Head of Pre-Prep
Mrs E Easdale, Head of Pastoral Care
Mrs A Shropshire, HR Director

Independent auditors

Larking Gowen, 1 Claydon Business Park, Great Blakenham, Ipswich, Suffolk, IP6 0NL

Bankers

Barclays Bank, Corporate Banking, PO Box 13699, Birmingham, B2 2FS

Solicitors

Darbys Solicitors LLP, 52 New Inn Hall Street, Oxford, OX1 2DN

OLD BUCKENHAM HALL (BRETtenham) EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Governors present their annual report for the year ended 31 August 2016 together with the audited financial statements for the year. These have been prepared under the Companies Act 2006, Charities Act 2011 and the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP).

Structure, governance and management

Governing Document

Old Buckenham Hall (Brettenham) Educational Trust Limited ("OBH" or "the Company" or the "School") is governed by its Memorandum and Articles of Association last amended on 10 June 2016.

The Governors, who are also required under the Articles to serve as directors of the Company, are as members liable to contribute a sum not exceeding £1 each if required, in the event of the Company being wound up. The Company's memorandum of association does not permit the payment of a dividend.

Governing Body

The Governors are elected at a full Governors' Meeting on the basis of nominations received from various sources, with a view to ensuring as wide a mix as possible of relevant expertise. Governors usually serve for a term of three years and are eligible to stand for re-election.

All Governors give of their time freely and no remuneration or expenses were paid in the year.

No Governor or persons connected with a Governor currently receives any benefit from either means tested bursaries or scholarships awarded to our pupils. During the year, one Governor resigned who had received during his time as a Governor (and continues to receive) a 33% bursary for his two children who attend the School, which was offered on completion of the School's means-testing assessment and prior to his appointment as a Governor.

Governor Training

As part of the induction process new Governors receive training on their role and responsibilities as a Governor of the School, a Trustee and a Director of the Company. The School is a member of AGBIS, an organisation that provides training for Governors of independent schools and advice on corporate governance. Training courses are attended by Governors as required.

Organisational management

The Governors meet as a Board at least three times a year to determine the general policy of the Company and review its overall management and control, for which they are legally responsible. The work of implementing most of the Board's policies is carried out by the Finance & General Purposes Committee which meets before each meeting of the full Governing Board and on other occasions specifically to review budgets and annual accounts.

The day-to-day running of the School is delegated to the Head, Deputies and the Bursar, supported by other members of the Senior Management Team as listed on page 1.

Remuneration of senior staff is set by the Governors with the policy of ensuring appropriate incentives to encourage enhanced performance and in a fair and responsible manner for awarding individual contributions to the School's success. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to comparisons with other independent schools to ensure OBH remains sensitive to the broader issues of pay and employment conditions elsewhere.

OLD BUCKENHAM HALL (BRETENHAM) EDUCATIONAL TRUST LIMITED
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Objectives and Activities

Objects

The Objects of the Trust, in accordance with its Memorandum of Association are:

- To advance the education of the pupils of Old Buckenham Hall School by providing and assisting in the provision of facilities for education and accommodation at the School.
- For the public benefit to promote the education (including social and physical training) of people under the age of 19 years in such ways as the Charity Governors think fit, including by:
 - awarding to such persons scholarships, bursaries, maintenance allowances or grants; and
 - providing their education (including the study of music or other arts), to prepare them for entry to any other educational establishment, occupation, trade or profession.

Strategic Aims

OBH is a Preparatory and Pre-Preparatory boarding and day school for both boys and girls that delivers an exceptional education across and beyond the curriculum seeking excellence in all areas. At its heart is the ethos of a boarding school offering the highest level of pastoral care in which every child is given the individual attention they need in order to thrive.

Key aims

Education

To provide an outstanding and individual education which successfully prepares each child for entrance to leading senior schools of their choice and, where appropriate, scholarships; enabling them to thrive both academically and in extra-curricular activities throughout their time at OBH and subsequently at their senior school.

Boarding

To maintain the ethos of a full boarding school in which every child who is boarding is doing so through choice, with the benefits of the boarding pastoral care being extended to all children throughout the school.

Marketing

To ensure that OBH effectively communicates with the widest possible field of prospective parents both locally and further afield.

Estates, Capital Projects and Finance

To provide and maintain a physical and built environment in which children can learn and develop, and teachers can educate to the best of their abilities; achieved at all times.

OLD BUCKENHAM HALL (BRETENHAM) EDUCATIONAL TRUST LIMITED
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Public Benefit

The Governors' Public Benefit strategies are to:

- Widen pupil access to the School through the provision of means-tested bursaries so that children who could not otherwise attend can benefit from the education provided;
- Widen the local community's access to the School's facilities and by sharing the School's educational resources;
- Have regard to the Charity Commission's public benefit guidance when setting policies and plans.

Principal activity

OBH's principal activity continues to be the provision of a Preparatory and Pre-Preparatory boarding and day school for both boys and girls aged between 3 and 13 years.

OBH is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. Reasonable adjustments are made to meet the needs of staff or pupils who are or become disabled.

STRATEGIC REPORT

Achievement and Performance

Advancing education

All year 8 leavers got into senior schools of their first choice, with 9 scholarships being awarded (35% of Year 8) in a range of different areas including academic, music, art and all-rounder.

Sport has a high profile at the School with every child representing the school most weeks, in accordance with the Sport for All Policy. A number of senior pupils have been highly successful in representing the county and our continued links with senior school coaches led to a number of elite coaching sessions for boys and girls.

Music and drama continue to thrive. Termly formal and informal concerts are held together with several productions during the year including a whole school production of Joseph and the Amazing Technicolor Dreamcoat in the Summer term.

It was an excellent year for the Old Buckenham Explorers (OBE) programme. The programme is designed to develop all the skills – both physical and emotional – that children possess, and bring them to the fore at an earlier stage in their development. These skills – leadership, problem solving, self-reliance and teamwork – are the foundations of the curriculum-embedded OBE programme. The timetable is designed so that children from Years 3 to 8 are able to take part fully in the programme.

OLD BUCKENHAM HALL (BRETtenham) EDUCATIONAL TRUST LIMITED
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Bursaries and other fee concessions

It is important to us that access to the education we offer is not restricted to those who can afford our fees.

Our bursary policy contributes to a widening of access to the education we offer and the facilities we enjoy.

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk. In funding our awards we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

The bursary awards range from 10% to 100% remission of fees. They provide assistance to our pupils who would otherwise either not have been able to come to the School or continue their education without the bursaries. Further bursaries are made available to children of Armed Forces families.

Information about fee assistance through bursaries and scholarships is provided to all applying to the School. Further details of our bursary policy are available on our website.

Details of bursary awards are set out in Note 3 to the accounts.

Community Access

The school recognises its responsibilities to the local community and continues to welcome members of the local community to share and make use of its facilities. During the year local residents used the squash courts and swimming pool and Brettenham Cricket Club is situated within the school grounds. In addition the School works with local organisations to host a number of joint events including a Bonfire Night in November and the Brettenham Summer Fair.

Financial review

The result for the year was net incoming resources of £466,362 (2014/15: surplus of £39,027).

The School achieved this surplus by increasing pupil numbers from 181 in 2014/15 to 197 in 2015/16, by better management of employment and other costs and by realising a profit on the sale of land totalling £273,214.

The School continues to operate within its borrowing facilities and its forecasts demonstrate that it can meet its repayment obligations.

Key Performance Indicators

Pupil numbers, net fee income and employment costs are seen as key performance indicators which are monitored.

OLD BUCKENHAM HALL (BRETtenham) EDUCATIONAL TRUST LIMITED
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Principal Risks and Uncertainties

The Governors continue to review the School's activities and consider the major opportunities available to the School and the risks to which it is exposed in each of the principal areas of its operations. They have identified the following areas to be of particular importance:

- Affordability for parents and pupil recruitment
- Staff recruitment and retention
- Safeguarding children
- Strategic planning for education
- Health and Safety, fire and security

Robust budgetary controls are in place to manage costs, whilst ensuring that salary and fee levels remain competitive. All staff are subject to the appropriate police and employment checks and they continue to receive regular training on child protection issues where appropriate. Individual Governors have been appointed with responsibility for Safeguarding children, Health and Safety and Estates (including Security). Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary.

Reserves Policy

Note 14 to the Financial Statements sets out the reserves of the School. At the 31st August 2016 the School had tangible fixed assets of £3,956,220 (2015: £3,937,688) and unrestricted funds of £2,175,897 (2015: £1,709,535).

The Governors have a long-standing policy to use any revenue surpluses and bank borrowings as appropriate to improve the facilities and the overall educational service provided. The School has no free reserves as all revenue surpluses have been reinvested to enhance the School's facilities. The Governors have ongoing plans for investing future surpluses to make further improvements to the resources available. The School's cash flow forecasts demonstrate that it is able to pay its debts as they fall due.

Plans for future periods

Our specific objectives for 2016/17 and 2017/18 have been formulated by the Governors in conjunction with the Headmaster and the Senior Management Team:

- Continue to raise the academic standards and profile of OBH within the IAPS community;
- Continue to invest in the facilities and activities offered by the School;
- Continue to develop other income streams using the school facilities; and
- Maintain our strong links with the community through educational, spiritual, cultural and recreational activities.

Going Concern

After making appropriate enquiries, the Governors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

OLD BUCKENHAM HALL (BRETTHENHAM) EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

GOVERNORS' RESPONSIBILITIES STATEMENT

The Governors (who are also directors of Old Buckenham Hall (Brettenham) Educational Trust Limited for the purposes of company law) are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 charitable company will continue in operation.

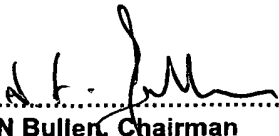
The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report, incorporating the strategic report, was approved by the Governors on 19.5.17 and signed on their behalf by:


.....
N Bullen, Chairman


.....
C J Minter

OLD BUCKENHAM HALL (BRETENHAM) EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OLD BUCKENHAM HALL (BRETENHAM)
EDUCATIONAL TRUST LIMITED**

We have audited the financial statements of Old Buckenham Hall (Brettenham) Educational Trust Limited for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Cash flow statement 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

OLD BUCKENHAM HALL (BRETtenham) EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OLD BUCKENHAM HALL (BRETtenham)
EDUCATIONAL TRUST LIMITED**

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:

- 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Joanne Fox BA FCA (Senior statutory auditor)

for and on behalf of

Larking Gowen

Chartered Accountants
Statutory Auditors

1 Claydon Business Park
Great Blakenham
Ipswich
Suffolk
IP6 0NL

Date: 22.5.17

OLD BUCKENHAM HALL (BRETENHAM) EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME AND ENDOWMENTS FROM:				
Donations and legacies	2	3,882	3,882	6,581
Charitable activities	3	3,207,223	3,207,223	2,703,219
Other trading activities	4	49,418	49,418	36,360
Profit from sale of land		273,214	273,214	1,124
TOTAL INCOME AND ENDOWMENTS		3,533,737	3,533,737	2,747,284
EXPENDITURE ON:				
Charitable activities		3,067,375	3,067,375	2,708,257
TOTAL EXPENDITURE	5	3,067,375	3,067,375	2,708,257
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		466,362	466,362	39,027
NET MOVEMENT IN FUNDS		466,362	466,362	39,027
RECONCILIATION OF FUNDS:				
Total funds brought forward		1,709,535	1,709,535	1,670,508
TOTAL FUNDS CARRIED FORWARD		2,175,897	2,175,897	1,709,535

All activities relate to continuing operations.

The notes on pages 13 to 24 form part of these financial statements.

OLD BUCKENHAM HALL (BRETENHAM) EDUCATIONAL TRUST LIMITED

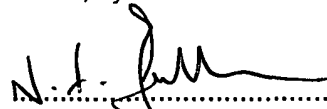
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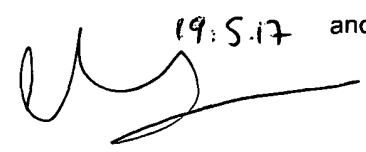
REGISTERED NUMBER: 00910421

**BALANCE SHEET
AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	9		3,956,220		3,937,688
CURRENT ASSETS					
Stocks	10	7,600		11,300	
Debtors	11	119,217		94,490	
Cash at bank and in hand		18,171		13,923	
			<u>144,988</u>	<u>119,713</u>	
CREDITORS: amounts falling due within one year	12	(903,352)		(1,259,817)	
NET CURRENT LIABILITIES			<u>(758,364)</u>		<u>(1,140,104)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,197,856</u>		<u>2,797,584</u>
CREDITORS: amounts falling due after more than one year	13		<u>(1,021,959)</u>		<u>(1,088,049)</u>
NET ASSETS			<u>2,175,897</u>		<u>1,709,535</u>
CHARITY FUNDS					
Unrestricted funds	14		<u>2,175,897</u>		<u>1,709,535</u>
TOTAL FUNDS			<u>2,175,897</u>		<u>1,709,535</u>

The financial statements were approved by the Governors on behalf, by:


.....
N Bullen, Chairman

19.5.17 and signed on their

.....
C J Minter

The notes on pages 13 to 25 form part of these financial statements.

OLD BUCKENHAM HALL (BRETENHAM) EDUCATIONAL TRUST LIMITED
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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	15	<u>369,305</u>	<u>292,216</u>
Cash flows from investing activities:			
Proceeds from the sale of tangible fixed assets		300,084	-
Purchase of tangible fixed assets		<u>(164,814)</u>	<u>(97,011)</u>
Net cash provided by/(used in) investing activities		<u>135,270</u>	<u>(97,011)</u>
Cash flows from financing activities:			
Repayments of borrowings and finance leases		(974,277)	(7,120)
Interest paid		(65,269)	(101,889)
New secured loans		<u>950,000</u>	<u>5,000</u>
Net cash used in financing activities		<u>(89,546)</u>	<u>(104,009)</u>
Change in cash and cash equivalents in the year		415,029	91,196
Cash and cash equivalents brought forward		<u>(494,184)</u>	<u>(585,380)</u>
Cash and cash equivalents carried forward	16	<u><u>(79,155)</u></u>	<u><u>(494,184)</u></u>

OLD BUCKENHAM HALL (BRETTEHAM) EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

Old Buckenham Hall (Brettenham) Educational Trust Limited is a company limited by guarantee incorporated in England and Wales, registered number 00910421. The registered office is Brettenham Park, Ipswich, Suffolk, IP7 7PH.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the the Financial Reporting Standard applicable in the UK and Republic of Ireland - FRS 102 (Charities SORP FRS 102), the Charities Act 2011 and the Companies Act 2006.

Old Buckenham Hall (Brettenham) Educational Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in Sterling (£).

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Governors 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.

It is the first year that the company has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the company's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

1.3 Company status

The company is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the company and which have not been designated for other purposes.

OLD BUCKENHAM HALL (BRETTEHAM) EDUCATIONAL TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.5 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Fee income

This represents School board and tuition fees invoiced for the period. Fee income is stated after deducting bursaries and sibling discounts.

Other ancillary trading income and income from generated funds

Income from other ancillary trading income and income from generated funds, including capital grants, is included in incoming resources when these are receivable.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Termination payments are paid in accordance with legal and contractual obligations and are expensed as they fall due.

All resources expended are inclusive of irrecoverable VAT.

1.7 Tangible fixed assets and depreciation

Items at a cost of less than £1,000 are not capitalised, except for computer equipment costing more than £300.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	School Buildings and facilities of specific nature - 4% straight line. General School Buildings 2% on a straight line basis down to residual value
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	10%-20% straight line
Computer equipment	-	25% straight line

Land is not depreciated.

OLD BUCKENHAM HALL (BRETtenham) EDUCATIONAL TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities incorporating income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at Bank and in hand

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 acquisition or opening of the deposit or similar account.

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.14 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 Pensions

The school contributes to the Teachers' Pension Scheme, a contributory scheme administered by Teachers' Pensions on behalf of the Department for Education. Contributions are made at rates set by the Government's actuary and advised to the school by the scheme administrator.

The School also operates a defined contribution group personal pension and a stakeholder scheme under which contributions by employees and by the School are held in funds separated from the company's finances.

Contributions payable to the above schemes are charged to the income and expenditure account.

1.16 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of property, plant and equipment and note 1.7 for the useful economic lives for each class of assets.

Impairment of debtors

The company makes an estimate of the recoverable value of trade debtors and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of the debtors and historical experience. See note 11 for the net carrying amount of the debtors and associated impairment provision.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.17 Advance fee scheme

The School offers parents the opportunity to pay for tuition fees in advance in accordance with a written contract. This is treated as deferred income until the pupil joins the School, whereupon the fees for each School term are charged against the remaining balance and taken to income. This takes into account the net present value of discounted future cash flows, where the effect is material.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2016 £	<i>Total funds 2015 £</i>
Donations	3,882	6,581

In 2015, of the total income from donations and legacies all related to unrestricted funds.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	<i>Total funds 2015 £</i>
Gross fees	3,484,643	3,037,209
Less: Bursaries and other allowances	(339,940)	(400,341)
Other incoming resources	62,520	66,351
	3,207,223	2,703,219

In 2015, of the total income from charitable activities all related to unrestricted funds.

4. FUNDRAISING INCOME

	Unrestricted funds 2016 £	<i>Total funds 2015 £</i>
Lettings income	49,418	36,360

In 2015, of the total income from other trading activities, all related to unrestricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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5. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2016 £	Depreciation 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Teaching	1,409,542	10,168	231,007	1,650,717	1,389,985
Household	364,217	4,091	195,440	563,748	524,451
Property	137,962	100,717	308,783	547,462	478,199
Support & administration	176,049	4,435	59,695	240,179	213,733
Financing costs	-	-	65,269	65,269	101,889
	<u>2,087,770</u>	<u>119,411</u>	<u>860,194</u>	<u>3,067,375</u>	<u>2,708,257</u>

In 2015 all support and direct costs related to unrestricted expenditure.

6. SUPPORT COSTS

	Support & administration £	Financing costs £	Total 2016 £	Total 2015 £
Administrative overheads	37,284	-	37,284	43,682
Audit and professional fees	22,411	-	22,411	17,498
Bank charges and interest	-	65,269	65,269	101,889
Wages and salaries	154,153	-	154,153	117,407
National insurance	13,233	-	13,233	11,148
Pension cost	8,663	-	8,663	10,693
Depreciation	4,435	-	4,435	8,121
	<u>240,179</u>	<u>65,269</u>	<u>305,448</u>	<u>310,438</u>

7. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	119,412	111,727
- held under finance leases	-	3,788
Auditors' remuneration	9,500	9,500
Operating lease rentals	36,047	35,664

During the year, no Governors received any remuneration (2015 - £NIL).

During the year, no Governors received any benefits in kind (2015 - £NIL).

During the year, no Governors received any reimbursement of expenses (2015 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
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8. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,793,084	1,560,392
Social security costs	129,842	112,943
Other pension costs	164,844	132,501
	<u>2,087,770</u>	<u>1,805,836</u>

The average number of persons employed by the company during the year was as follows:

	2016 No.	2015 No.
Teaching staff	41	35
Other staff	50	46
	<u>91</u>	<u>81</u>

The number of higher paid employees was:

	2016 No.	2015 No.
In the band £70,001 - £80,000	1	0

Due to staff movements in the year ended 31 August 2016, no employee received remuneration amounting to more than £60,000. The employee who received remuneration in excess of £60,000 in the year ended 31 August 2016, was a member of the Teachers Pension Scheme.

Termination payments totalling £14,365 were paid to two employees in the year ended 31 August 2016.

The total amount of employee benefits (including employer pension contributions) received by the 3 members of key management personnel (2015 - 2 members) for their services to the School was £213,790 (2015 - £156,415) for the period.

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**NOTES TO THE FINANCIAL STATEMENTS
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9. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	4,643,353	113,720	648,068	163,931	5,569,072
Additions	114,303	960	32,960	16,591	164,814
Disposals	(32,500)	-	-	-	(32,500)
At 31 August 2016	4,725,156	114,680	681,028	180,522	5,701,386
Depreciation					
At 1 September 2015	863,281	109,292	505,121	153,690	1,631,384
Charge for the year	90,243	1,713	18,391	9,065	119,412
On disposals	(5,630)	-	-	-	(5,630)
At 31 August 2016	947,894	111,005	523,512	162,755	1,745,166
Net book value					
At 31 August 2016	3,777,262	3,675	157,516	17,767	3,956,220
At 31 August 2015	3,780,072	4,428	142,947	10,241	3,937,688

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Furniture, fittings and equipment	-	9,621
Computer equipment	-	1,223
	-	10,844

Included in land and buildings is freehold land held at cost of £160,000 (2015 - £162,500), which is not depreciated.

10. STOCKS

	2016 £	2015 £
Food and housekeeping supplies	800	1,300
Heating oil	6,800	10,000
	7,600	11,300

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

11. DEBTORS

	2016 £	2015 £
Fees outstanding	83,781	63,374
Other debtors	14,216	22,741
Prepayments and accrued income	21,220	8,375
	<u>119,217</u>	<u>94,490</u>

12. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	162,836	531,440
Deposits	12,580	8,200
Net obligations under finance leases and hire purchase contracts	-	2,293
Trade creditors	116,547	61,330
Taxation and social security	36,955	30,007
Fees in advance	558,526	598,547
Accruals and deferred income	15,908	28,000
	<u>903,352</u>	<u>1,259,817</u>

Bank loans and overdrafts are secured by debenture and legal charges over the company's land and property. Loans are repayable over 5 years and incur interest at a commercial rate (see also note 13).

13. CREDITORS: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	881,406	945,567
Payments received on account	20,999	34,135
Trade creditors	119,554	108,347
	<u>1,021,959</u>	<u>1,088,049</u>

Included within the above are amounts falling due as follows:

	2016 £	2015 £
Between one and two years		
Bank loans	<u>65,510</u>	<u>945,567</u>
Between two and five years		
Bank loans	<u>815,896</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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14. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Carried Forward £
Unrestricted funds				
Reserves	1,709,535	3,533,737	(3,067,375)	2,175,897

**15. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW
FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	466,362	39,027
Adjustment for:		
Depreciation charges	119,412	115,515
Profit on the sale of fixed assets	(273,214)	(1,124)
Decrease in stocks	3,700	83
Increase in debtors	(24,727)	(1,346)
Increase in creditors	12,503	38,172
Interest paid	65,269	101,889
Net cash provided by operating activities	369,305	292,216

16. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	18,171	13,923
Overdraft facility repayable on demand	(97,326)	(508,107)
Total	(79,155)	(494,184)

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**NOTES TO THE FINANCIAL STATEMENTS
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17. CAPITAL COMMITMENTS

At 31 August 2016 the company had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	<u>17,486</u>	<u>-</u>

18. PENSION COMMITMENTS

The school operates three pension schemes as disclosed in accounting policy note 1.15.

The assets of the schemes are held separately from those of the School in independent administered funds.

The pension cost charge represents contributions payable by the School to the funds and amounted to £164,844 (2015: £132,501).

Contributions outstanding at the year end and included within other creditors were £21,756 (2015: £18,326).

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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18. PENSION COMMITMENTS (continued)

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016 (not yet available as at the date of signing of these financial statements), whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £148,258 (2015: £112,841) and at the year-end £19,756 (2015: £15,931) was accrued in respect of contributions to this scheme.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

19. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	30,321	39,032
Between 1 and 5 years	32,404	62,725
Total	<u>62,725</u>	<u>101,757</u>

20. RELATED PARTY TRANSACTIONS

Four Governors of Old Buckenham Hall (Brettenham) Educational Trust Limited had children that attended the school during the year ended 31 August 2016 (2015- 2 Governors). Two of these Governors resigned during the year ended 31 August 2016 (2015 - nil). After the year end, two new Governors (2015 - 2) were appointed who have children which attend the school. One of the former Governors who resigned during the year continues to receive a 33% bursary for his two children who attend the School, which was offered after the completion of the School's means-testing assessment and prior to his appointment as a Governor. School fees are charged to the other Governors at the normal rates.