Registered number: 3930321

ABERCORN EDUCATION LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2011

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ABERCORN EDUCATION LIMITED

COMPANY INFORMATION

Directors	Andrea S Greystoke Abigail M F Snell Arabella Pollack (resigned 1 September 2010) Aurelia D J Greystoke Adrian Greystoke Alexander Greystoke Anthony Millard (appointed 1 February 2011)
Company secretary	Connaught Secretaries Limited
Company number	3930321
Registered office	Thames House Portsmouth Road Esher Surrey KT10 9AD
Auditor	PKF (UK) LLP Pannell House Park Street Guildford Surrey GU1 4HN

ABERCORN EDUCATION LIMITED

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3 - 4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 11

ABERCORN EDUCATION LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2011

The directors present their report and the financial statements for the year ended 31 August 2011

Principal activities

The principal activity of the company in the year is the renting of property to a fellow subsidiary, Abercorn School Limited

Directors

The directors who served during the year were

Andrea S Greystoke
Walter Balmford (resigned 31 January 2011)
Abigail M F Snell
Arabella Pollack (resigned 1 September 2010)
Aurelia D J Greystoke
Adrian Greystoke
Alexander Greystoke
Anthony Millard (appointed 1 February 2011)

Provision of information to auditor

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

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing his report and to establish that the company's auditor is aware of that information

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 24/7/12 and signed on its behalf

Andrea S Greystoke
Director

ABERCORN EDUCATION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2011

The directors are responsible for preparing the directors' 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 judgments and 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 EDUCATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERCORN EDUCATION LIMITED

We have audited the financial statements of Abercorn Education Limited for the year ended 31 August 2011 which comprise the profit and loss account, the balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities)

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

Respective responsibilities of directors and auditor

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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 August 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

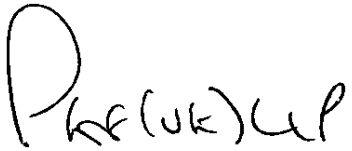
In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERCORN EDUCATION 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report



Rhodri Whitlock (Senior statutory auditor)
for and behalf of PKF (UK) LLP, Statutory auditor
Guildford, UK
DATE 27/7/2012.

ABERCORN EDUCATION LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2011

	Note	2011 £	2010 £
TURNOVER	1	**500,000**	470,000
Administrative expenses		**(114,486)**	(85,235)
OPERATING PROFIT	2	**385,514**	384,765
Interest payable and similar charges		**(333,517)**	(338,046)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**51,997**	46,719
Tax on profit on ordinary activities	3	**(11,071)**	(10,188)
PROFIT FOR THE FINANCIAL YEAR	9	**40,926**	36,531

The notes on pages 8 to 11 form part of these financial statements

ABERCORN EDUCATION LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 AUGUST 2011

	2011 £	2010 £
PROFIT FOR THE FINANCIAL YEAR	**40,926**	36,531
Unrealised surplus on revaluation of tangible fixed assets	**650,000**	2,200,000
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	**690,926**	2,236,531

The notes on pages 8 to 11 form part of these financial statements

ABERCORN EDUCATION LIMITED
REGISTERED NUMBER· 3930321

BALANCE SHEET
AS AT 31 AUGUST 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	4		**10,005,394**		9,357,191
CURRENT ASSETS					
Debtors	5	**2,569,001**		2,569,001	
CREDITORS: amounts falling due within one year	6	**(5,500,815)**		(5,617,875)	
NET CURRENT LIABILITIES			**(2,931,814)**		(3,048,874)
TOTAL ASSETS LESS CURRENT LIABILITIES			**7,073,580**		6,308,317
CREDITORS: amounts falling due after more than one year	7		**(1,778,226)**		(1,703,889)
NET ASSETS			**5,295,354**		4,604,428
CAPITAL AND RESERVES					
Called up share capital	8		**50,000**		50,000
Revaluation reserve	9		**4,987,774**		4,337,774
Profit and loss account	9		**257,580**		216,654
SHAREHOLDERS' FUNDS			**5,295,354**		4,604,428

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

24/7/12

Andrea S Greystoke
Director

The notes on pages 8 to 11 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2011

1. ACCOUNTING POLICIES

1 1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold properties and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

On preparing these financial statements, the directors have had regard to the company's net current liability position which is due to the company's loan facility being classified as falling due within one year following a covenant breach After the year end the directors obtained a covenant breach waiver from the bank and remain in compliance with its covenants The directors are therefore satisfied that it is appropriate to prepare the accounts on a going concern basis

1 2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

1 3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation Depreciation is not charged on freehold land Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	50 years with a residual value of 50% of cost

1.4 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account

2 OPERATING PROFIT

The operating profit is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets - owned by the company	**1,797**	1,797

During the year, no director received any emoluments (2010 - £NIL)

3. TAXATION

	2011 £	2010 £
UK corporation tax charge on profit for the year	**11,071**	10,188

4. TANGIBLE FIXED ASSETS

	Freehold property £
Cost or valuation	
At 1 September 2010	**9,367,971**
Revaluation surplus	**650,000**
At 31 August 2011	**10,017,971**
Depreciation	
At 1 September 2010	**10,780**
Charge for the year	**1,797**
At 31 August 2011	**12,577**
Net book value	
At 31 August 2011	**10,005,394**
At 31 August 2010	9,357,191

Included in land and buildings is freehold land at valuation of £3,823,000 (*2010* - £3,575,000), (cost £2,563,750 (*2010* - £2,563,750)) which is not depreciated The valuation was carried out on 13 May 2011 by Levene Chartered Surveyors

Cost or valuation at 31 August 2011 is as follows

	Land and buildings £
At cost	**5,333,357**
At valuation.	
31 August 2006	**2,684,614**
31 August 2009	**(850,000)**
31 August 2010	**2,200,000**
31 August 2011	**650,000**
	10,017,971

4. TANGIBLE FIXED ASSETS (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2011 £	2010 £
Cost	**5,333,357**	5,333,357
Accumulated depreciation	**(1,069,919)**	(961,814)
	4,263,438	4,371,543

5 DEBTORS

	2011 £	2010 £
Due after more than one year		
Amounts owed by group undertakings	**2,569,001**	2,569,001

6. CREDITORS:
Amounts falling due within one year

	2011 £	2010 £
Bank loans (secured)	**5,454,554**	5,572,234
Corporation tax	**11,081**	10,198
Other creditors	**35,180**	35,443
	5,500,815	5,617,875

The bank loan is secured over the company's freehold land and buildings

7 CREDITORS
Amounts falling due after more than one year

	2011 £	2010 £
Amounts owed to group undertakings	**1,778,226**	1,703,889

8 SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
50,000 Ordinary Shares shares of £1 each	**50,000**	50,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2011

9. RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 September 2010	**4,337,774**	**216,654**
Profit for the year		**40,926**
Surplus on revaluation of freehold property	**650,000**	
At 31 August 2011	**4,987,774**	**257,580**

10 CONTINGENT LIABILITIES

The company has given a cross guarantee in respect of the bank borrowings of Abercorn School Limited, a wholly owned subsidiary of International British Schools Limited, the holding company At 31 August 2011, these borrowings amounted to £391,736 (2010 £431,480)

11 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available under FRS 8 and not disclosed transactions with related parties as the company is a 100% subsidiary of Astroline Limited, for whom consolidated accounts are prepared

12 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The imediate and ultimate parent company is International British Schools Limited (formerly Astroline Limited), a company registered in England It has included Abercorn Education Limited in its group financial statements, copies of which are publically available

The ultimate controlling party is A S Greystoke, director