

Company Registration No. 03930321 (England and Wales)

COMPANIES HOUSE COPY

ABERCORN EDUCATION LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012



ABERCORN EDUCATION LIMITED

COMPANY INFORMATION

Directors

A S Greystoke
A Snell
A J Greystoke
A Millard
S P Redrupp (Appointed 1 January 2013)

Secretary

Connaught Secretaries Limited

Company number

03930321

Registered office

Thames House
Portsmouth Road
Esher
Surrey
KT10 9AD

Auditors

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

ABERCORN EDUCATION LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' 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 - 13

ABERCORN EDUCATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2012

The directors present their report and financial statements for the year ended 31 August 2012

Principal activities and review of the business

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

Results and dividends

The results for the year are set out on page 5

Directors

The following directors have held office since 1 September 2011

A S Greystoke

A Snell

A D J Greystoke

(Resigned 1 June 2012)

A J M Greystoke

(Resigned 1 June 2012)

A J Greystoke

A Millard

S P Redrupp

(Appointed 1 January 2013)

Auditors

UHY Hacker Young were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

ABERCORN EDUCATION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

Statement of directors' responsibilities

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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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 auditors are aware of that information.

On behalf of the board



A S Greystoke

Director

31 January 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABERCORN EDUCATION LIMITED

We have audited the financial statements of Abercorn Education Limited for the year ended 31 August 2012 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with 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 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 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on 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 2012 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.

Opinion on other matter 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 AUDITORS' REPORT (CONTINUED)
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



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

31 January 2013

Chartered Accountants
Statutory Auditor

ABERCORN EDUCATION LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 AUGUST 2012**

		2012	2011
	Notes	£	£
Turnover	2	500,012	500,000
Administrative expenses		<u>(177,874)</u>	<u>(114,486)</u>
Operating profit	3	322,138	385,514
Interest payable and similar charges	4	<u>(337,974)</u>	<u>(333,517)</u>
(Loss)/profit on ordinary activities before taxation		(15,836)	51,997
Tax on (loss)/profit on ordinary activities	5	-	(11,071)
(Loss)/profit for the year	11	<u><u>(15,836)</u></u>	<u><u>40,926</u></u>

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

ABERCORN EDUCATION LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 AUGUST 2012**

	Notes	2012 £	2011 £
(Loss)/profit for the financial year		(15,836)	40,926
Unrealised surplus on revaluation of properties		<u>1,639,787</u>	<u>650,000</u>
Total recognised gains and losses relating to the year		<u><u>1,623,951</u></u>	<u><u>690,926</u></u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2012 £	2011 £
Reported (loss)/profit on ordinary activities before taxation	(15,836)	51,997
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	<u>1,517</u>	<u>(106,308)</u>
Historical cost loss on ordinary activities before taxation	<u>(14,319)</u>	<u>(54,311)</u>
Historical cost loss for the year retained after taxation, extraordinary items and dividends	<u><u>(14,319)</u></u>	<u><u>(65,382)</u></u>

ABERCORN EDUCATION LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	6	12,000,000		10,005,394	
Current assets					
Debtors amounts falling due within one year	7	-		-	
Debtors amounts falling due after more than one year	7	2,569,001		2,569,001	
Cash at bank and in hand		156,203		-	
		<u>2,725,204</u>		<u>2,569,001</u>	
Creditors: amounts falling due within one year	8	<u>(2,292,703)</u>		<u>(7,279,041)</u>	
Net current assets/(liabilities)		<u>432,501</u>		<u>(4,710,040)</u>	
Total assets less current liabilities		<u>12,432,501</u>		<u>5,295,354</u>	
Creditors: amounts falling due after more than one year	9	<u>(5,513,196)</u>		<u>-</u>	
		<u>6,919,305</u>		<u>5,295,354</u>	
Capital and reserves					
Called up share capital	10	50,000		50,000	
Revaluation reserve	11	6,627,561		4,987,774	
Profit and loss account	11	241,744		257,580	
Shareholders' funds	12	<u>6,919,305</u>		<u>5,295,354</u>	

Approved by the Board and authorised for issue on 31 January 2013



A S Greystoke
Director

Company Registration No. 03930321

ABERCORN EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of rent charged to a fellow subsidiary company

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Freehold property	50 years with a residual value of 75% of cost
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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 exceeded 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 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit

	2012	2011
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	<u>17,225</u>	<u>1,797</u>

ABERCORN EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2012**

4	Interest payable	2012	2011
		£	£
	On loans repayable after five years	<u>337,974</u>	<u>333,517</u>
5	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	<u>-</u>	<u>11,071</u>
	Total current tax	<u>-</u>	<u>11,071</u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	<u>(15,836)</u>	<u>51,997</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 25.16% (2011 - 21.64%)	<u>(3,984)</u>	<u>11,252</u>
	Effects of		
	Non deductible expenses	2,734	-
	Depreciation add back	4,334	-
	Capital allowances	(20,256)	-
	Tax losses utilised	17,172	-
	Other tax adjustments	-	(181)
		<u>3,984</u>	<u>(181)</u>
	Current tax charge for the year	<u>-</u>	<u>11,071</u>

ABERCORN EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2012****6 Tangible fixed assets**

	Freehold property £
Cost or valuation	
At 1 September 2011	10,017,971
Additions	372,044
Revaluation	1,609,985
At 31 August 2012	12,000,000
Depreciation	
At 1 September 2011	12,577
Revaluation	(29,802)
Charge for the year	17,225
At 31 August 2012	-
Net book value	
At 31 August 2012	12,000,000
At 31 August 2011	10,005,394

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 September 2011	5,333,357
Additions	372,044
At 31 August 2012	5,705,401
Depreciation based on cost	
At 1 September 2011	1,069,919
Charge for the year	15,708
At 31 August 2012	1,085,627
Net book value	
At 31 August 2012	4,619,774
At 31 August 2011	4,263,438

ABERCORN EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

6 Tangible fixed assets

(Continued)

Included in land and buildings is freehold land at valuation of £8,555,000 (Cost £2,563,750) which is not depreciated

The freehold land and buildings were valued on an open market basis by Levene, a firm of independent Chartered Surveyors, on 31 August 2012. The valuations were in accordance with the requirements of the RICS Appraisal and Valuation Standards and FRS 15

It is the company's intention to retain the properties for the foreseeable future. No deferred tax has been provided on the gains arising from the revaluation as such tax would only become payable if the properties were sold. The tax which would be payable in such circumstances is estimated to be approximately £1m

7 Debtors

2012
£

2011
£

Amounts owed by parent company

2,569,001

2,569,001

Amounts falling due after more than one year and included in the debtors above are

2012
£

2011
£

Amounts owed by parent company

2,569,001

2,569,001

8 Creditors: amounts falling due within one year

2012
£

2011
£

Bank loans (note 9)

177,872

5,454,554

Amounts owed to fellow subsidiary undertaking

1,964,050

1,778,226

Corporation tax

-

11,081

Other creditors

150,781

35,180

2,292,703

7,279,041

The bank loans are secured over the company's freehold land and buildings

ABERCORN EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

9 Creditors: amounts falling due after more than one year	2012	2011
	£	£
Bank loans	5,513,196	-
Analysis of loans		
Not wholly repayable within five years by instalments	5,691,068	-
Wholly repayable within five years	-	5,454,554
	5,691,068	5,454,554
Included in current liabilities	(177,872)	(5,454,554)
	5,513,196	-
Instalments not due within five years	3,991,636	-
Loan maturity analysis		
In more than one year but not more than two years	247,244	-
In more than two years but not more than five years	828,338	-
In more than five years	4,437,615	-
10 Share capital	2012	2011
	£	£
Allotted, called up and fully paid		
50,000 Ordinary Shares of £1 each	50,000	50,000
11 Statement of movements on reserves	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 September 2011	4,987,774	257,580
Loss for the year	-	(15,836)
Revaluation during the year	1,639,787	-
Balance at 31 August 2012	6,627,561	241,744

ABERCORN EDUCATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

12 Reconciliation of movements in shareholders' funds	2012	2011
	£	£
(Loss)/Profit for the financial year	(15,836)	40,926
Other recognised gains and losses	1,639,787	650,000
Net addition to shareholders' funds	1,623,951	690,926
Opening shareholders' funds	5,295,354	4,604,428
Closing shareholders' funds	6,919,305	5,295,354

13 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 2012, these borrowings amounted to £260,956 (2011 £391,736)

14 Employees

Number of employees

There were no employees during the year apart from the directors

15 Control

The immediate and ultimate parent company is International British Schools Limited, a company registered in England and Wales. International British Schools prepares group financial statements and copies can be obtained from Thames House, Portsmouth Road, Esher, Surrey, KT10 9AD

The ultimate controlling party is A S Greystoke, a director of the company

16 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group