



SCARISBRICK
HALL

Scarisbrick Hall and School – investor report August 2016

EXECUTIVE SUMMARY

2015/2016

The Directors have worked diligently to ensure that Scarisbrick Hall School continues to expand its educational operations whilst using all available capital to fund the continued restoration of this Historic asset. We have provided increased value for all stakeholders in the building asset and ensured the long term profitability and sustainability of the business by increasing the capacity to meet the demand for school places. The school numbers are growing far above those forecast; at the start of the new academic year September 2016 School numbers will have increased by a further 105 pupils with a total of 470 pupils excluding our Nursery. We believe that this is a unique growth pattern for Independent Schools in the UK given the uncertainty of the economic climate.

Construction projects that would enable the school to expand its diverse educational activities in the area of sports and leisure have been placed on hold until the level of investment required to build the facilities can be secured.

There are extensive opportunities ready to be taken advantage of by our Tutoring, Coaching and Mentoring facility. These academic and creative opportunities are presently delayed whilst funding is sought to increase capacity and provide further facilities.

Profitability and the lack of distributable funds are a direct consequence of the lack of required capital investment as envisioned in the development plan. Failure to secure the required capital has resulted in essential restoration capital projects are being funded through small third party loan note investments and from the profits from the School business.

To maintain growth and the improvement of facilities to meet increased pupil numbers, the Directors have loaned the business a further £400,000 in 2015/16 it is also important to note that they have not taken remuneration for their full time employment in the business.

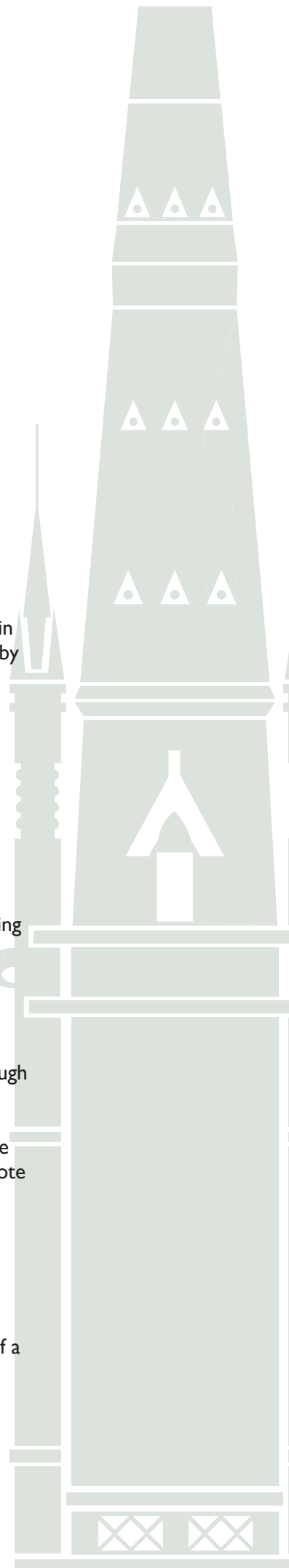
Even with the financial constraints due to limited investment funds the restoration and development plan for Scarisbrick Hall is progressing well, currently we have three distinct elements underway, these are:

- The restoration of the North Range to provide two new libraries and the creation of a Research Centre

Scarisbrick Hall and School Ltd
Scarisbrick Hall Southport Road Ormskirk Lancashire
L40 9RQ

T 01704 841151
F 0845 505 7890 enquiries@scarisbrickhallschool.co.uk

Company No. 08265460



- The expansion and modernisation of changing and shower facilities, essential for compliance purposes and to meet the demand created by School intake.
- A Multi-Use Games Area (MUGA). This will provide all weather multi use sports pitches for use by the whole school

These works are in addition to the numerous smaller projects, such as refurbishing ancillary rooms to provide the additional classroom spaces required to facilitate the higher than anticipated level of pupil intake.

The school continues to be an industry leader, setting new bench marks in innovation in education and we are pleased to announce that in 2015 we secured three additional national "Independent School Association" (ISA) awards in the following categories "Sports Provision," "Healthy Eating," and "Early Years Provision".

Demand for admission to Beautiful Beginnings Day Nursery remains strong and the Early Years management team are prioritising admission to families committing to entering our school from Reception age. At the time of writing this report there are 14 babies on our nursery waiting list.

In summary the Directors are pleased with progress. Scarisbrick Hall is now firmly established as a leading Independent School in the UK and set to take full advantage of the opportunities for further expansion in the provision of education to the UK and International markets. We continue to actively seek loan note and equity funding to enable the fulfilment of the master plan to ensure all investors receive returns at the earliest date.

Upon the completion of the current restoration works the Directors intend to commission a further valuation on the property and estate to determine the increase in asset value.

Yours sincerely



Michael Headley
Managing Director

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