

JAMES BOWERS EDUCATION LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 AUGUST 2006

J.B. LOWTHIAN & CO.

Chartered Accountants & Registered Auditors

Arkle House
Lonsdale Street
Carlisle
Cumbria
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JAMES BOWERS EDUCATION LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2006

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JAMES BOWERS EDUCATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO JAMES BOWERS EDUCATION
LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of James Bowers Education Limited for the year ended 31 August 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.



J B LOWTHIAN & CO
Chartered Accountants
& Registered Auditors

Arkle House
Lonsdale Street
Carlisle
Cumbria
CA1 1BJ

23 May 2007

JAMES BOWERS EDUCATION LIMITED**ABBREVIATED BALANCE SHEET****31 AUGUST 2006**

	Note	2006 £	2005 £
FIXED ASSETS	2		
Intangible assets		10,642	12,996
Tangible assets		4,993,321	4,906,139
Investments		<u>550,139</u>	<u>550,139</u>
		5,554,102	5,469,274
CURRENT ASSETS			
Debtors		552,347	1,497,183
Cash at bank and in hand		<u>7,679</u>	<u>5,079</u>
		560,026	1,502,262
CREDITORS: Amounts falling due within one year	3	(2,189,214)	(1,891,091)
NET CURRENT LIABILITIES		(1,629,188)	(388,829)
TOTAL ASSETS LESS CURRENT LIABILITIES		3,924,914	5,080,445
CREDITORS: Amounts falling due after more than one year	4	(3,323,962)	(3,370,761)
PROVISIONS FOR LIABILITIES AND CHARGES		(8,000)	(10,000)
		<u>592,952</u>	<u>1,699,684</u>
CAPITAL AND RESERVES			
Called-up equity share capital	6	1,000	1,000
Revaluation reserve		510,094	521,430
Profit and loss account		<u>81,858</u>	<u>1,177,254</u>
SHAREHOLDERS' FUNDS		<u>592,952</u>	<u>1,699,684</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved by the directors on 23 May 2007 and are signed on their behalf by

J F BOWERS



JAMES BOWERS EDUCATION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2006

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets

Consolidation

The company has claimed exemption under Section 248 of the Companies Act 1985 from the preparation of group accounts on the grounds that the group is medium sized

The financial statements present information about James Bowers Education Limited as an individual undertaking and not about its group

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts

Turnover

The turnover shown in the Profit and Loss Account represents amounts invoiced during the year

Development costs

Development expenditure which has been capitalised and deferred to future periods relates to work undertaken at new locations in order to expand the Company's operations. Such expenditure is written-off to the profit and loss account commencing when each development project is up and running and is charged over a period in which the future economic benefits of each project are expected to accrue

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Development Costs	- 10% straight line
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Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	- 2% straight line
Short Leasehold Property	- 5% straight-line
Fixtures & Fittings	- 15% reducing balance
Motor Vehicles	- 25% reducing balance

JAMES BOWERS EDUCATION LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 AUGUST 2006****1. ACCOUNTING POLICIES** *(continued)*

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The Company contributes to the personal pension schemes of certain employees. The contributions payable by the Company are charged to the profit and loss account in the year to which they relate.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

JAMES BOWERS EDUCATION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 2006

2. FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Investments £	Total £
COST OR VALUATION				
At 1 September 2005	23,538	5,223,971	550,139	5,797,648
Additions	–	410,528	–	410,528
Disposals	–	(201,763)	–	(201,763)
At 31 August 2006	23,538	5,432,736	550,139	6,006,413
DEPRECIATION				
At 1 September 2005	10,542	317,832	–	328,374
Charge for year	2,354	133,649	–	136,003
On disposals	–	(12,066)	–	(12,066)
At 31 August 2006	12,896	439,415	–	452,311
NET BOOK VALUE				
At 31 August 2006	10,642	4,993,321	550,139	5,554,102
At 31 August 2005	12,996	4,906,139	550,139	5,469,274

The company has a direct 100% holding in Witherslack Group of Schools Limited which is incorporated in England and which acts as an intermediary holding company providing management services to the following wholly-owned subsidiary companies -

- Cedar House School and Lowgate House Limited
- Pontville School Limited
- Witherslack Hall School Limited
- Witherslack Care Limited
- Lakeside School Limited
- Witherslack Group of Schools (South) Limited

All of the above companies are incorporated in England and their principal activities consist of the provision of residential education and care of children with special needs

The company also has a direct 100% holding in JBE Training and Development Limited which is incorporated in England. The principal activity of this subsidiary is the training and development of adults engaged in the education and care sectors

Under the provisions of section 248 of the Companies Act 1985, the company is exempt from preparing consolidated accounts and therefore the accounts show information about the company as an individual entity only

At 31st August 2006, the deficit on the aggregate capital and reserves of Witherslack Group of Schools Limited and its subsidiary companies was £256,110 (2005 - deficit £128,442) and the profit for the year then ended amounted to £244,937 (2005 - £811,316). On the same date, the aggregate capital and reserves of JBE Training and Development Limited was £12,584 (2005 - £26,848) and the profit for the year amounted to £43,569 (2005 - £67,472).

JAMES BOWERS EDUCATION LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2006

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2006 £	2005 £
Bank loans and overdrafts	<u>641,541</u>	<u>779,993</u>

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

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2006 £	2005 £
Bank loans and overdrafts	<u>3,323,962</u>	<u>3,363,065</u>

Included within Creditors Amounts falling due after more than one year are amounts totalling £1,786,139 (2005 - £1,721,130) which fall due for payment after five years.

5. RELATED PARTY TRANSACTIONS

(i)The company was under the control of Mr J F Bowers throughout the current and previous year Mr J F Bowers is the managing director and majority shareholder

(ii)During the year the Company received rental income amounting to £141,000 (2005-£139,000) and a management charge of £600,000 (2005-£600,000) from group companies

6. SHARE CAPITAL

Authorised share capital:

	2006 £	2005 £
100,000 Ordinary shares of £0 01 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2006 No	£	2005 No	£
Ordinary shares of £0 01 each	<u>100,000</u>	<u>1,000</u>	<u>100,000</u>	<u>1,000</u>