

Witherslack Group Limited

Report and Financial Statements

Year Ended

31 August 2013

Company Number 03579104

SATURDAY



A382Y0QG

A29

17/05/2014

#248

COMPANIES HOUSE

Witherslack Group Limited

Report and financial statements for the year ended 31 August 2013

Contents

Page:

1	Report of the directors
5	Independent auditor's report
7	Consolidated profit and loss account
8	Consolidated note of historical cost profit and losses
9	Consolidated balance sheet
10	Company balance sheet
11	Notes forming part of the financial statements

Directors

P D Jones
M A Barrow
M Davey
H C Tennant
C Baxter
J Jones (appointed 21st October 2013)

Secretary

J Jones (resigned 21st October 2013)
C Baxter (appointed 21st October 2013)

Registered Office

Lupton Tower, Lupton, Carnforth, Lancashire, LA6 2PR

Company number

03579104

Auditors

BDO LLP, Spinningfields, 3 Hardman Street, Manchester, M3 3AT

Witherslack Group Limited

Report of the directors for the year ended 31 August 2013

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 August 2013

Results

The profit and loss account is set out on page 7 and shows the profit for the year

Principal activities

The principal activity of the company and the group during the year was the provision of education and residential care for children with special needs

The group provides a choice of education and care for children with special needs, their families and local authorities across the UK through a network of ten schools and ten children's homes. The group aspires to being an exemplar of best practice for the education and care of children and young people with special needs, locally, regionally and nationally. It has a clear view of its purpose and practice and this is articulated in the theoretical and philosophical aspects of its work.

Business review

Development and performance of the business

The key financial and non-financial performance indicators during the year were as follows

	2013	2012
Profit after tax	3,541,828	3,152,631
Number of schools in operation	10	9
Number of children's homes in operation	10	7

Demand from the local authorities (the main customers of the group) for the high quality services provided by the group is driven by increasing statutory requirements. The group traded well throughout the year, in spite of the continued austerity drive of its key customer base. This drive will have impacted on lesser quality organisations. The Directors are pleased to report that of the Group's twenty Education and Care establishments which operated during the year, eight are assessed as 'Outstanding' by Ofsted, eight assessed as 'Good', with a further four awaiting their first full inspection.

The Directors are pleased to also announce the opening of the Group's new school, Avon Park in Rugby, Warwickshire. This school opened as planned in November 2013.

Witherslack Group Limited

Report of the directors for the year ended 31 August 2013 (*continued*)

Regulatory and legislative risks

As an education provider, the group's schools are registered and approved by the Department for Education, (DfE) and are subject to inspection and report by Ofsted. Periodic inspections are carried out for each school. The group's residential care operations are also registered with Ofsted as providers of care. Regular inspections and reviews are carried out by Ofsted.

The group regularly updates its policies and procedures in order to ensure compliance with required standards.

In addition, the group has an obligation to meet Health and Safety requirements. The Group employs a highly experienced and qualified health and safety manager who audits and updates internal policies.

Financial risk management policy

The group's principal financial instruments comprise cash, trade debtors and creditors, loans and borrowings and certain other debtors and accruals. The main risks associated with these financial assets and liabilities are set out below.

Credit risk

Credit risk arises principally on third party derived revenues. Group policy is aimed at minimising such risk, and collection of debts is actively managed to ensure that payments are received in a timely manner. The Group's customers are Local Authorities and have a good payment history. The directors believe the Group's exposure to bad debts is not significant.

Liquidity risk

The group is funded by way of overdrafts and operational cash generation, as well as access to long-term bank loans held by the ultimate parent company, Witherslack Group (Holdings) Limited.

The group's liquidity risk is managed through the group finance function, controlled by Witherslack Group (Holdings) Limited. The Group generates substantial operational cash surpluses. Capital expenditure is approved at board level. Day to day cash flow flexibility is maintained by retaining surplus cash in readily accessible bank accounts. Working capital requirements are funded primarily through each group company's resources although each group company does have recourse to additional funding through the ultimate parent company banking facilities.

Interest rate risk

The group's interest rate risk is managed through the parent company's finance function.

Exposure to interest rate movements is managed at parent company level through a mixture of hedging instruments. The interest rate risk is hedged through a combination of financial instruments which have capped the maximum LIBOR applicable to the interest rate calculation on a significant element of the parent company bank borrowing to 3% per annum.

Market price risk

Due to the nature of the principal activity, the directors do not believe the group is exposed to significant movements in market prices of its services.

Future Developments

The group continues to invest significant resource in the development of both the physical infrastructure of the schools as well as in the further development of the education and care services provided by the group. Since the year end, Avon Park school has opened and the Group is actively pursuing several other potential developments.

Witherslack Group Limited

Report of the directors for the year ended 31 August 2013 (*continued*)

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the year, the policy of providing employees with information about the group has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Directors

The directors who served the company during the year were as follows

P D Jones
M A Barrow
M Davey
H C Tennant
C Baxter (appointed 3rd September 2012)

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 group and company 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 group and company and of the profit or loss of the group 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.

Witherslack Group Limited

Report of the directors for the year ended 31 August 2013 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

On behalf of the Board

C Baxter



Director

Date

18/12/13.

Witherslack Group Limited

Independent auditor's report (continued)

TO THE MEMBERS OF WITHERSLACK GROUP LIMITED

We have audited the financial statements of Witherslack Group Limited for the year ended 31 August 2013 which comprise the consolidated profit and loss account, the consolidated note of historical cost profits and losses, the consolidated and company balance sheets 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 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 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 group's and the parent company's affairs as at 31 August 2013 and of the group's profit 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 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.

Witherslack Group Limited

Independent auditor's report (*continued*)

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



*Julien Rye (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester
United Kingdom*

Date 19/12/13

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Witherslack Group Limited

Consolidated profit and loss account for the year ended 31 August 2013

	Note	2013 £	2012 £
Turnover	2	29,793,988	25,476,956
Administrative expenses		25,358,901	21,841,769
Other operating income	5	(39,651)	(30,595)
		<hr/>	<hr/>
Operating profit	6	4,474,738	3,665,782
Interest payable and similar charges	7	15,606	21,896
		<hr/>	<hr/>
Profit on ordinary activities before taxation		4,459,132	3,643,886
Tax on profit on ordinary activities	8	917,304	491,255
		<hr/>	<hr/>
Profit for the financial year		3,541,828	3,152,631
		<hr/>	<hr/>

All amounts relate to continuing activities

There are no recognised gains and losses other than the loss for the year

The notes on pages 11 to 27 form part of these financial statements

Witherslack Group Limited

Consolidated note of historical profits and losses for the year ended 31 August 2013

	2013 £	2012 £
Reported profit on ordinary activities before taxation	4,459,132	3,643,888
Difference between actual and historical cost depreciation charge	6,812	6,812
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation	4,465,944	3,650,700
	<hr/>	<hr/>
Historical cost retained profit for the year after taxation	3,548,640	4,141,955
	<hr/>	<hr/>

The notes on pages 11 to 27 form part of these financial statements

Witherslack Group Limited

Consolidated balance sheet at 31 August 2013

Company number 03579104	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Intangible assets	11		614,686		657,254
Tangible assets	12		26,024,626		21,255,446
			<hr/>		<hr/>
			26,639,312		21,912,700
Current assets					
Stocks	14	24,602		21,404	
Debtors	15	4,108,075		2,939,128	
Cash at bank and in hand		1,803,432		1,813,674	
		<hr/>		<hr/>	
		5,936,109		4,774,206	
Creditors: amounts falling due within one year	16	13,029,590		10,636,256	
		<hr/>		<hr/>	
Net current liabilities			(7,093,481)		(5,862,050)
			<hr/>		<hr/>
Total assets less current liabilities			19,545,831		16,050,650
Creditors: amounts falling due after more than one year	17		10,657,432		10,841,829
Provision for liabilities					
Deferred taxation	18		357,100		218,100
Government grants	19		56,979		58,229
			<hr/>		<hr/>
			8,474,320		4,932,492
			<hr/>		<hr/>
Capital and reserves					
Called up equity share capital	20		1,059		1,059
Share premium account	21		99,935		99,935
Revaluation reserve	21		460,483		467,295
Profit and loss account	21		7,912,843		4,364,203
			<hr/>		<hr/>
Shareholders' funds	22		8,474,320		4,932,492
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 18th December 2013



C Baxter
Director

The notes on pages 11 to 27 form part of these financial statements

Witherslack Group Limited

Company balance sheet at 31 August 2013

Company number 03579104	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Intangible assets	11		902,836		944,886
Tangible assets	12		25,943,599		21,165,625
Investments	13		400		400
			<hr/>		<hr/>
			26,846,835		22,110,911
Current assets					
Stocks	14	24,602		21,404	
Debtors	15	4,250,737		3,379,958	
Cash at bank		1,666,782		1,603,830	
		<hr/>		<hr/>	
		5,942,121		5,005,192	
Creditors. amounts falling due within one year	16	12,981,447		10,576,651	
		<hr/>		<hr/>	
Net current liabilities			(7,039,326)		(5,571,459)
			<hr/>		<hr/>
Total assets less current liabilities			19,807,509		16,539,452
Creditors: amounts falling due after more than one year	17		11,028,290		11,172,006
Provision for liabilities	18				
Deferred taxation			353,000		213,000
Government grants	19		56,979		58,229
			<hr/>		<hr/>
			8,369,240		5,096,217
			<hr/>		<hr/>
Capital and reserves					
Called up equity share capital	20		1,059		1,059
Share premium account	21		99,935		99,935
Revaluation reserve	21		460,483		467,295
Profit and loss account	21		7,807,763		4,527,928
			<hr/>		<hr/>
Shareholders' funds	22		8,369,240		5,096,217
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 18th December 2013



C Baxter
Director

The notes on pages 11 to 27 form part of these financial statements

Witherslack Group Limited

Notes forming part of the financial statements for the year ended 31 August 2013

1 Accounting policies

The group and company financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold children's homes and are in accordance with UK Generally Accepted Accounting Principles

The following principal account policies have been applied

Basis of consolidation

The consolidated group financial statements incorporate the group financial statements of the company and all subsidiary undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Basis of preparation

The financial statements have been prepared on the going concern basis. Although the Group and the company had net current liabilities of £7,093,481 and £6,858,973 respectively at 31 August 2013 (2012 - £5,862,050 and £5,571,459) this is as a result of the group's business model which results in relatively large deferred income balances at the year end. The group has continued its successful expansion through the year and the directors are pleased with the progress against the business plan of the group.

Cash flow statement

The company has taken advantage of the exemption in Financial reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a wholly owned subsidiary of Witherslack Group (Holdings) Limited and group accounts are publicly available from Companies House.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year. Turnover is recognised on the provision of educational and care services, once the service has been delivered and the right to consideration has been achieved.

Witherslack Group Limited

Notes forming part of the financial statements for the year ended 31 August 2013

1 Accounting policies (*continued*)

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

Goodwill	-	5% straight line
Development costs	-	5 - 20% straight line

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

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

Freehold property	-	2% straight line
Leasehold property	-	5 - 10% straight line
Fixtures and fittings	-	15% reducing balance
Motor vehicles	-	25% reducing balance

Assets under the course of construction are not depreciated

Freehold children's homes

Financial Reporting Standard 15 'Tangible fixed assets' requires fixed assets which are carried at revalued amounts to be shown at their current value at the balance sheet date. To achieve this freehold children's homes are subject to a full valuation every five years with an interim valuation carried out in the third year of this cycle. The profit or loss on disposal of revalued properties is calculated by reference to net book value and any realised revaluation surplus is transferred to the profit and loss account through reserves.

Stocks

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

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Witherslack Group Limited

Notes forming part of the financial statements for the year ended 31 August 2013 (continued)

1 Accounting policies (continued)

Pension costs

The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between taxable profits and the results as stated in the financial statements which arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

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

Investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Liquid resources

Liquid resources comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

Witherslack Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2013 (continued)

2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the group. All turnover arises in the United Kingdom.

3 Other operating income

	2013 £	2012 £
Sundry income	39,651	30,595

4 Employees

	2013 £	2012 £
The aggregate payroll costs were		
Wages and salaries	15,658,969	13,104,272
Social security costs	1,530,491	1,241,403
Other pension costs	793,800	690,167
	17,983,260	15,035,842

The average number of staff employed by the group during the financial year amounted to

	Number	Number
Teacher and assistants	232	194
Care workers	251	208
Ancillary staff	52	42
Administration and other staff	51	47
Directors	6	5
	592	496

5 Directors

	2013 £	2012 £
The directors remuneration consist of		
Remuneration receivable	682,689	555,975
Value of company pension contributions to money purchase schemes	55,759	46,530
	738,448	602,505

The number of directors who accrued benefits under company pension schemes was as follows

	Number	Number
Money purchase schemes	5	3

The total amount payable to the highest paid director in respect of emoluments was £146,627 (2012 - £146,506), with pension contributions amounting to £4,229 (2012 - £Nil)

Witherslack Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2013 (*continued*)

6	Operating profit	2013	2012
		£	£
	This has been arrived at after charging/(crediting)		
	Amortisation of government grants re fixed assets	(1,250)	(1,250)
	Amortisation of intangible assets	42,668	21,472
	Depreciation of owned fixed assets	1,147,807	858,909
	Depreciation of assets held under hire purchase agreements	125,417	160,280
	Loss on disposal of fixed assets	11,267	6,129
	Fees payable to the company's auditor, or an associate of the company's auditor for the auditing of the company's annual accounts	23,000	23,000
	Fees payable to the company's auditor or associate of the company's auditor for other services - taxation compliance services – taxation advisory services	31,486	11,000
		<hr/>	<hr/>
7	Interest payable and similar charges	2013	2012
		£	£
	Finance charges	15,606	21,896
		<hr/>	<hr/>
		15,606	21,896
		<hr/>	<hr/>
8	Taxation on profit on ordinary activities	2013	2012
		£	£
	<i>Analysis of charge in the year</i>		
	<i>Current tax</i>		
	UK corporation tax based on the results for the year at 23.58 % (2012 - 25.16%)	910,494	728,343
	Over provision in the prior year	(132,190)	(189,488)
		<hr/>	<hr/>
	Total current tax	778,304	538,855
	<i>Deferred tax</i>		
	Origination and reversal of timing differences (note 18)	139,000	(47,600)
		<hr/>	<hr/>
	Tax on profit on ordinary activities	917,304	491,255
		<hr/>	<hr/>

Witherslack Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2013 (*continued*)

8 Taxation on profit on ordinary activities (*continued*)

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 23.58% (2012 - 25.16%)

Factors affecting current tax charge

	2013 £	2012 £
Profit on ordinary activities before taxation	4,459,132	3,643,888
Loss on ordinary activities at the standard rate of Corporation tax in the UK of 23.58% (2012 - 25.16%)	1,051,463	916,802
Effects of		
Group relief received for which no payment has been made	(247,009)	(292,689)
Disallowable expenses	2,358	13,206
Non Qualifying depreciation	113,634	-
Changes in accelerated capital allowances	(9,057)	91,024
Marginal relief available	(895)	-
Over provision for prior years	(132,190)	(189,488)
Total current tax	778,304	538,855

9 Profit attributable to members of the parent company

The profit dealt with in the group financial statements of the parent company was £3,273,023 (2012 - £2,721,327). This includes dividends received from group undertakings of £ Nil (2012 - £1,619,077)

10 Dividends

During the year the company paid dividends of £Nil (2012 - £Nil) to its shareholders

Witherslack Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2013 (*continued*)

11 Intangible assets

Group	Goodwill £	Development costs £	Total £
<i>Cost or valuation</i>	1,217,303	953,074	2,170,377
At 1 September 2012 and 31 August 2013			
<i>Amortisation</i>			
At 1 September 2012	560,549	952,474	1,513,023
Charge for the year	42,468	200	42,668
At 31 August 2013	603,017	952,674	1,555,691
<i>Net book value</i>			
At 31 August 2013	614,286	400	614,686
At 31 August 2012	656,754	600	657,354
Company			
<i>Cost or valuation</i>			
At 1 September 2012 and 31 August 2013	1,056,757	24,138	1,080,895
<i>Amortisation</i>			
At 1 September 2012	112,471	23,538	136,009
Charge for the year	41,850	200	42,050
At 31 August 2013	154,321	23,738	178,059
<i>Net book value</i>			
At 31 August 2013	902,436	400	902,836
At 31 August 2012	944,286	600	944,886

Witherslack Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2013 (*continued*)

12 Tangible fixed assets

Group	Freehold schools £	Freehold Children's homes £	Leasehold land and buildings £	Fixtures and fittings £	Assets under construction £	Motor vehicles £	Total £
<i>Cost or valuation</i>							
At 1 September 2012	6,851,871	9,759,759	2,453,442	5,916,731	-	1,391,887	26,373,690
Reclassification	6,526	(6,526)	-	-	-	-	-
Additions	153,384	881,197	1,281,501	1,182,951	2,294,308	277,636	6,070,977
Disposals	-	-	-	(15,480)	-	(49,090)	(64,570)
At 31 August 2013	<u>7,011,781</u>	<u>10,634,430</u>	<u>3,734,943</u>	<u>7,084,202</u>	<u>2,294,308</u>	<u>1,620,433</u>	<u>32,380,097</u>
<i>Depreciation</i>							
At 1 September 2012	313,258	307,834	929,364	2,998,185	-	569,609	5,118,250
Charge for the year	139,009	200,102	152,183	528,377	-	253,553	1,273,224
Disposals	-	-	-	(3,461)	-	(32,542)	(36,003)
At 31 August 2013	<u>452,267</u>	<u>507,936</u>	<u>1,081,547</u>	<u>3,523,101</u>	<u>-</u>	<u>790,620</u>	<u>6,355,471</u>
<i>Net book value</i>							
At 31 August 2013	<u>6,559,514</u>	<u>10,126,494</u>	<u>2,653,396</u>	<u>3,561,101</u>	<u>2,294,308</u>	<u>829,813</u>	<u>26,024,626</u>
At 31 August 2012	<u>6,538,613</u>	<u>9,451,925</u>	<u>1,524,078</u>	<u>2,918,546</u>	<u>-</u>	<u>822,278</u>	<u>21,255,446</u>

Witherslack Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2013 (*continued*)

12 Tangible fixed assets (*continued*)

	Freehold schools £	Freehold Children's homes £	Leasehold land and buildings £	Fixtures and fittings £	Assets under construction £	Motor vehicles £	Total £
<i>Cost or valuation</i>							
At 1 September 2012	6,858,397	9,753,233	1,752,879	3,192,445	-	822,283	22,379,237
Reclassification	-	-	-	-	-	-	-
Additions	153,384	881,197	1,281,501	1,181,894	2,294,308	277,631	6,069,915
Disposals	-	-	-	(15,480)	-	(49,090)	(64,570)
At 31 August 2013	7,011,781	10,634,430	3,034,380	4,358,859	2,294,308	1,050,824	28,384,583
<i>Depreciation</i>							
At 1 September 2012	313,258	307,834	267,692	324,829	-	-	1,213,613
Charge for the year	139,009	200,102	149,621	521,088	-	253,553	1,263,373
Disposals	-	-	-	(3,461)	-	(32,542)	(36,003)
At 31 August 2013	452,267	507,936	417,313	842,456	-	221,012	2,440,984
<i>Net book value</i>							
At 31 August 2013	6,559,514	10,126,493	2,617,067	3,516,404	2,294,308	829,812	25,943,599
At 31 August 2012	6,538,613	9,445,399	1,485,187	2,867,615	-	822,283	21,165,624

Witherslack Group Limited

Notes forming part of the financial statements for the year ended 31 August 2013 (continued)

12 Tangible assets (continued)

The following information relates to tangible fixed assets carried on the basis of revaluations in accordance with FRS15 Tangible fixed assets

	2013 £	2012 £
Freehold children's Homes		
At existing use value		
30 November 2008 - full valuation	1,935,000	1,935,000
Aggregate depreciation thereon	(183,824)	(145,125)
	<u>1,751,176</u>	<u>1,789,875</u>
Historical cost of revalued assets	1,594,425	1,594,425
Aggregate depreciation thereon	(303,735)	(271,846)
	<u>1,290,690</u>	<u>1,322,579</u>

The full valuation was performed by Peill & Co and the directors are not aware of any material change in value and therefore the valuations set out above have not been updated

Hire purchase agreements

Included within the net book value of £829,812 for motor vehicles is £ 442,173 (2012 £697,002) relating to assets held under hire purchase agreements. The depreciation charged to the group financial statement in the year in respect of such assets amounted to £125,417 (2012 - £160,280)

13 Investments

Company	Shares in group companies £
<i>Cost</i>	
At 1 September 2012 and 31 August 2013	<u>400</u>
<i>Net book value</i>	
At 31 August 2013	<u>400</u>
At 31 August 2012	<u>400</u>

Witherslack Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2013 (*continued*)

13 Investments (*continued*)

The goodwill arose in the Company following the transfer to the company of the trade and assets of several subsidiary companies in the prior year

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company's interest at the year end is 20% or more are as follows

Subsidiary Undertakings	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Belle Vue House Assessment Centre Limited	UK	100%	Assessment and development centre for individuals with communication difficulties
Witherslack Training and Development Limited	UK	100%	Training and development of adults engaged in the education and care sectors
Witherslack Care Limited	UK	100%	Dormant
Cedar House School and Lowgate house Limited	UK	100%	Dormant
Witherslack Hall School Limited	UK	100%	Dormant
Pontville School Limited	UK	100%	Dormant
Lakeside School Limited	UK	100%	Dormant
Chilworth Schools Limited	UK	100%	Dormant
Cumberland and Westmorland Schools Limited	UK	100%	Dormant
Witherslack Group of Schools Limited	UK	100%	Dormant

Witherslack Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2013 (continued)

14 Stocks

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Food consumables	24,602	21,404	24,602	21,404

15 Debtors

	Group 2013	Group 2012	Company 2013	Company 2012
Trade debtors	2,817,708	2,177,743	2,809,258	2,172,055
Amounts owed by parent undertaking	1,022,800	522,800	-	-
Amounts owed by group undertakings	-	-	1,190,432	970,420
VAT recoverable	3,687	103	-	-
Other debtors	7,312	15,010	7,312	14,011
Prepayments and accrued income	256,568	223,472	243,735	223,472
	4,108,075	2,939,128	4,250,737	3,379,958

All amounts shown above are due within one year

16 Creditors: amounts falling due within one year

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Bank loans and overdrafts	-	-	-	-
Trade creditors	1,062,345	888,072	1,035,656	886,358
Hire purchase agreements (see note 27)	177,393	36,576	177,393	36,576
Other creditors including taxation and social security				
- Corporation tax	910,494	728,338	905,494	679,706
- PAYE and social security	448,255	355,739	445,661	352,407
Other creditors	18,553	-	18,554	-
Other loans	-	22,687	-	18,986
Accruals and deferred income	10,412,550	8,604,844	10,398,689	8,602,618
	13,029,590	10,636,256	12,981,447	10,576,651

Bank loans and overdrafts are unsecured

Witherslack Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2013 (continued)

17 Creditors: amounts falling due after more than one year

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Amounts owed to parent company	10,539,345	10,565,290	10,910,203	10,895,466
Hire purchase agreements (see note 27)	118,087	276,539	118,087	276,539
	<u>10,657,432</u>	<u>10,841,829</u>	<u>11,028,290</u>	<u>11,172,005</u>

18 Deferred taxation

The movement in the deferred taxation provision during the year was

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Provision brought forward	218,100	265,700	213,000	6,000
Transfer from group companies	-	-	-	207,000
charge/ (credit) to the profit and loss account	139,000	(47,600)	140,000	-
	<u>357,100</u>	<u>218,100</u>	<u>353,000</u>	<u>213,000</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	Provided 2013 £	Unprovided 2013 £	Provided 2012 £	Unprovided 2012 £
Excess of taxation allowances over depreciation on fixed assets	357,100	-	218,100	-
Capital gains tax rolled over	-	(235,000)	-	(235,000)
	<u>357,100</u>	<u>(235,000)</u>	<u>218,100</u>	<u>(235,000)</u>
At 31 August	357,100	(235,000)	218,100	(235,000)
	<u>357,100</u>	<u>(235,000)</u>	<u>218,100</u>	<u>(235,000)</u>
Company	Provided 2013 £	Unprovided 2013 £	Provided 2012 £	Unprovided 2012 £
Excess of taxation allowances over depreciation on fixed assets	353,000	-	213,000	-
Capital gains tax rolled over	-	(235,000)	-	(235,000)
	<u>353,000</u>	<u>(235,000)</u>	<u>213,000</u>	<u>(235,000)</u>
At 31 August	353,000	(235,000)	213,000	(235,000)
	<u>353,000</u>	<u>(235,000)</u>	<u>213,000</u>	<u>(235,000)</u>

Witherslack Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2013 (*continued*)

19 Government grants

	Group £	Company £
<i>Received and receivable</i>		
At 1 September 2012 and 31 August 2013	(62,500)	(62,500)
<i>Amortisation</i>		
At 1 September 2012	4,271	4,271
Credit to profit and loss account in the year	1,250	1,250
At 31 August 2012	5,521	5,521
Net balance at 31 August 2013	56,979	56,979

20 Share capital

	Number	Allotted, called up and fully paid Number	£	£
Ordinary shares of £0.01 each	105,882	105,882	1,059	1,059

21 Reserves

	Share premium account £	Revaluation Reserve £	Profit and loss account £
Group			
Balance brought forward	99,935	467,295	4,364,203
Profit for the year	-	-	3,541,828
Transfer (from)/to revaluation on realisation	-	(6,812)	6,812
At 31 August 2013	99,935	460,483	7,912,843
Company			
Balance brought forward	99,935	467,295	4,527,928
Profit for the year	-	-	3,273,023
Transfer (from)/to revaluation on realisation	-	(6,812)	6,812
At 31 August 2013	99,935	460,483	7,807,763

Witherslack Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2013 (continued)

22 Reconciliation of movements in shareholders' funds

Group	2013 £	2012 £
Profit for the financial year	3,541,828	3,152,641
Net addition to shareholders' funds	3,541,828	3,152,631
Opening shareholders' funds	4,932,492	1,779,861
Closing shareholders' funds	8,474,320	4,932,492
Company		
Profit for the financial year	3,273,023	2,721,327
Net addition to shareholders' funds	3,273,023	2,721,327
Opening shareholders' funds	5,096,217	2,374,890
Closing shareholders' funds	8,369,240	5,096,217

23 Pensions

The group makes contributions to employee's personal pension plans. Contributions payable during the year amounted to £793,800 (2012 - £690,167). Unpaid contributions at 31 August 2013 amounted to £56,085 (2012 - £22,545).

24 Financial risk management objectives and policies

The group holds or issues financial instruments in order to achieve two main objectives, being

- (a) to finance its operations, and
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance,

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the group's operations.

Transactions in financial instruments result in the group assuming or transferring to another party one or more of the financial risks described below.

Credit risk

The group monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The group has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Witherslack Group Limited

Notes forming part of the financial statements
for the year ended 31 August 2013 (continued)

25 Commitments under operating leases

As at 31 August 2013, the Group and company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2013 £	Other 2013 £	Land and buildings 2012 £	Other 2012 £
Group and company				
Operating leases which expire				
Within one year	123,530	8,661	82,390	-
In two to five years	78,000	39,277	107,160	47,938
Over five years	284,745		253,650	-
	<u>486,275</u>	<u>47,938</u>	<u>443,200</u>	<u>47,938</u>

26 Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Amounts payable within one year	189,242	39,187	189,242	39,187
Amounts payable between one and two years	78,607	173,584	78,607	173,584
Amounts payable between two and five years	46,942	122,119	46,942	122,119
	<u>314,791</u>	<u>334,890</u>	<u>314,791</u>	<u>334,890</u>
Less Interest and finance charges relating to future years	(19,311)	(21,775)	(19,311)	(21,775)
	<u>295,480</u>	<u>313,115</u>	<u>295,480</u>	<u>313,115</u>

Witherslack Group Limited

Notes forming part of the financial statements for the year ended 31 August 2013 *(continued)*

27 Contingencies

Previously, the company together with other group members entered into a composite accounting agreement with its bankers whereby each participating company has provided a guarantee to the bank to support the total group bank borrowings and group overdraft facility. As at the 31 August 2013, the total group bank borrowings totalled £17,300,000 (2012 - £16,272,000) and the total overdraft balance equated to £ Nil (2012 -£Nil)

28 Related parties

No transactions with group companies are required to be disclosed under Financial Reporting Standard 8 as the company is a wholly owned subsidiary and is included in the consolidated accounts of the parent, Witherslack Group (Holdings) Limited

29 Controlling party

The group and company are 100% owned by Witherslack Group (Holdings) Limited who is deemed to be the ultimate parent company