Aurora LD II Limited
Annual Report and financial statements
for the period ended 30 April 2017
Registered number: 10141690

Contents

Directors' report

The directors present their annual report on the affairs and the audited financial statements of the Company, together with the audited financial statements and auditor's report for the period ended 30 April 2017.

Principal activities

The Company was incorporated on 22 April 2016. The period end date is 30 April 2017 in order to align the Company's year end date with the wider Group. The Company is an innovative provider of education and care for children and young people with special needs.

The Company has met the requirements in the Companies Act 2006 to obtain the exemption provided from the presentation of a strategic report.

The Company purchased a school during the year and began operating Aurora Eccles School in March 2017. The school specialises in educating children with specific learning difficulties. The Company is investing in the school in order to further develop the facilities and service offering, so that we can best support those in our care.

Information about the use of financial instruments by the Company is given in note 17 to the financial statements.

Going concern

The directors have considered the risks and uncertainties as noted below when assessing the going concern assumption. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

Results and dividends

The loss for the period amounted to £70,952. The Company has net liabilities of £70,952; this is in line with expectations, typical for a business in its infancy and is further explained in the going concern accounting policy. The directors have not recommended payment of a dividend.

Directors

The directors who served the Company during the period and up to the date of the report were as follows:

T Mack (appointed 22 April 2016)
S Bradshaw (appointed 22 April 2016)

Political Contributions

The Company has made no political contributions or incurred any political expenditure during the period.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings and via Company communications to employees. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Creditor payment policy

The Company's policy, in relation to all its suppliers, is to settle the terms of payment when agreeing the terms of the transaction and to abide by those terms provided that it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The Company does not follow any code or standard on payment practice.

Directors' report *(continued)*

Key Performance Indicators
The directors use a number of non-financial performance indicators for the Company however those deemed to be key are regulatory gradings, the most recent of which can be found at the following websites; www.cqc.org.uk and www.gov.uk/government/organisations/ofsted.

The directors consider the financial key performance indicators for the Company to be turnover and earnings before interest, tax, depreciation and amortisation (EBITDA). These metrics best reflect the financial performance of the Company and are consistent with how the finances of the business are assessed and managed on an operational basis.

	Period to 30 April 2017
Turnover	**£353,329**
Gross margin	**17.7%**
EBITDA	**£(32,960)**

In addition, as the Company continues to grow through acquisitions, cash flow and net debt is reviewed by the business on a regular basis.

Principal risks and uncertainties

The directors recognise that the degree of exposure to risks and the Company's ability to manage those risks effectively will influence how successful the business is. The directors identify, assess and manage the risks associated with the business objectives and strategy. Below are the principal risks and uncertainties that may affect the Company and mitigating factors.

Economic and policy risk
The majority of the Company's revenue from the next financial year is generated from Local Authorities, Clinical Commissioning Groups (CCG's) and other publicly funded bodies. As such, the success of the Company is linked to the willingness of such public bodies to fund the Company services. Uncertainty surrounds public body budgets and policy and a change in either, relating to education, health and social care, may pose a risk to the Company. To mitigate this risk, the Company endeavours to keep abreast of future and proposed legislative changes, assesses public body demand through regular dialogue, and reviews fees and value for money within the market place.

Regulatory risk
All Aurora Group services are regulated by the Office for Standards in Education, Children's Services and Skills (Ofsted) or the Care Quality Commission (CQC). The key risks posed by operating within a heavily regulated environment are the introduction of new regulations and failure to meet existing regulations. Failure to comply with regulatory requirements may result in de-regulation of a service, the loss of child, young person and adult placements, and reputational risk. To mitigate regulatory risk, robust policies and procedures have been implemented throughout the Company, a Governance framework established, regular internal audits completed, and quality inspections are carried out by an independent team. Further to this, rigorous recruitment and training procedures are in place to ensure that our employees are appropriately equipped to work within our services.

Business and operational risk
The success of the business depends on the ability of management to identify services for which there is demand and to build or acquire suitable sites at an appropriate price in order to align services to this demand. The Company then relies on efficient and well controlled processes. The potential impact and likelihood of processes failing and operational risk materialising is assessed on a regular basis. Where these likelihoods are felt to be outside of the directors' appetite for risk, management actions and/or control improvements are identified in order to bring each potential risk back to within acceptable levels. The Company also has a disaster recovery plan in place for all services covering current business requirements.

There is a system of internal controls which seek to ensure that events which would damage the reputation of the business are prevented. Management is active in seeking knowledge on changes to the business environment which may have an impact on the way that the Company does business.

Directors' report *(continued)*

Credit risk
The credit risk is primarily attributable to the Company's trade debtors, which are predominantly public bodies. The amount presented in the balance sheet are net of allowance for doubtful receivables. The credit risk is limited because the debtors are public bodies and there is no indication that there has been a change in their ability to pay.

Liquidity risk
By managing liquidity, the Company aims to ensure it can meet its financial obligations as and when they fall due.

As detailed in Note 1, the financial statements have been prepared on a going concern basis, in support of which the Board have reviewed the Company's trading forecasts for the next twelve months taking into account the current macroeconomic environment. As a result, the directors are confident that the assumptions underlying these forecasts are reasonable and that the Group will be able to operate on this basis.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received. The Company also intend to take advantage of these exemptions in the financial statements to be issued in the following year.

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

By order of the board

T Mack
Director

33 Holborn
London
United Kingdom
EC1N 2HT

28 July 2017

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 Accounting standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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; and
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the shareholders of Aurora LD II Limited

We have audited the financial statements of Aurora LD II Limited for the period from incorporation on 22 April 2016 to 30 April 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 shareholder 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 April 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with UK 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, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Independent auditor's report to the shareholders of Aurora LD II Limited *(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, 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
- 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 or from the requirement to prepare a Strategic report; or
- we have not received all the information and explanations we require for our audit.

Stuart McLaren (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

28 July 2017

Statement of comprehensive income
For the period 30 April 2017

	Note	Period to 30 April 2017 £
Turnover	3	353,329
Cost of sales		(290,796)
Gross profit		62,533
Administrative expenses		(144,328)
Operating loss		(81,795)
Interest payable	4	(400)
Loss on ordinary activities before taxation	5	(82,195)
Tax on loss on ordinary activities	8	11,243
Loss for the financial period		(70,952)

All of the activities of the Company are classed as continuing.

The Company has no recognised gains or losses other than the results as set out above.

The notes on pages 10 to 20 form part of these financial statements.

Balance sheet
As at 30 April 2017

	Note	As at 30 April 2017 £
Non-current assets		
Intangible assets	9	781,864
Tangible assets	10	987,794
		1,769,658
Current assets		
Debtors due within one year	11	502,830
Cash at bank		452,978
Deferred tax asset	16	10,110
		965,918
Creditors: Amounts falling due within one year	12	(2,738,602)
Net current liabilities		(1,772,684)
Total assets less current liabilities		(3,026)
Creditors: Amounts falling due after one year	13	(6,158)
Provisions for liabilities	15	(61,767)
Net liabilities		(70,951)
Capital and reserves		
Called-up share capital	18	1
Profit and loss account		(70,952)
Shareholder's deficit		(70,951)

These financial statements were approved by the directors and authorised for issue on 28 July 2017, and are signed on their behalf by:

T Mack
Director

Company Registration Number: 10141690

The notes on pages 10 to 20 form part of these financial statements.

Statement of changes in equity
For the period ended 30 April 2017

	Called-up share capital £	Profit and loss account £	Total £
At 22 April 2016	1	-	1
Loss for the financial period	-	(70,952)	(70,952)
Total comprehensive loss	-	(70,952)	(70,952)
At 30 April 2017	1	(70,952)	(70,951)

The notes on pages 10 to 20 form part of these financial statements.

Notes to the financial statements
For the period ended 30 April 2017

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

a. General information and basis of accounting

Aurora LD II Limited is a private company limited by shares incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 3. The nature of the Company's operations and its principal activities are set out in the Directors' report on pages 1 to 3.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Aurora LD II Limited is considered to be Pounds Sterling because that is the currency of the economic environment in which the Company operates. The financial statements are also presented in Pounds Sterling.

Aurora LD II Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Aurora LD II Limited is consolidated in the financial statements of its parent, Aurora Care and Education Holdings Limited, which may be obtained at Companies House, Cardiff, CD14 3UZ. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement, remuneration of key management personnel and related parties transactions.

b. Going concern

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate due to the below reason.

The majority of the Company's liabilities represents amounts due to Group undertakings. The Company is a 100% owned subsidiary of Aurora Care and Education Holdings Limited, the parent company of The Aurora Group. Aurora Care and Education Holdings Limited has provided the Company with an undertaking that, for at least 12 months from the date of approval of these financial statements, it will continue to provide financial support to enable the Company to meet all its current and future obligations.

As with any company placing reliance on other Group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

c. Turnover

Turnover represents sales of services, excluding Value Added Tax. Turnover is recognised in the accounting period in which the services are rendered.

Where payments are received in advance of services provided, the amounts are recorded as deferred income which is recognised as income over the respective terms of the agreements. Turnover on contracts exceeding one year is recognised on a straight line basis over the term of the contract.

d. Intangible assets - Goodwill

Goodwill arising on the acquisition of subsidiary and associated undertakings and businesses, representing any excess of the fair value of the consideration given over the provisional fair value of the identifiable assets and liabilities acquired, is capitalised and amortised on a straight line basis over its estimated useful economic life. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for impairment no longer apply.

Notes to the financial statements *(continued)*
For the period ended 30 April 2017

1 Accounting policies *(continued)*

e. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Customer relationships – 5 years

Amortisation is charged to administrative expenses in the statement of comprehensive income. Where there is indication that the residual value or useful life has changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

f. Tangible assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

Land – not depreciated
Buildings – 50 years
Fixtures, fittings and equipment - 5 years
Motor vehicles – 25% reducing balance
Computer hardware and software - 3 years

Assets under construction are recorded within fixed assets and are not depreciated as these assets are not available for use in the business. Upon completion the assets are recorded within the appropriate fixed asset category and are depreciated as described above..

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indications exist, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income unless they arise on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the statement of comprehensive income if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost.

g. Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or the right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains or losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Notes to the financial statements *(continued)*
For the period ended 30 April 2017

1 Accounting policies *(continued)*

g. Taxation *(continued)*

Where items recognised in other comprehensive income are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income as the transaction or other event that resulted in the tax expense or income.

h. Post-retirement benefits

The Company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The amount charged to the statement of comprehensive income represents the contributions payable to the schemes in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

i. Financial instruments

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at transaction price (including transaction costs).

Financial assets and liabilities are only offset in the balance sheet when, and only when, there is a legally enforceable right to set off the recognised amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand are included as part of cash and cash equivalents for the purposes of the cash flow statement.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income as described below. An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Notes to the financial statements *(continued)*
For the period ended 30 April 2017

1 Accounting policies *(continued)*

j. Leases

Operating lease

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Finance lease
Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no significant judgements in accounting policies in these financial statements.

Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i.) Fair values on acquisitions (note 9 & 10)

The fair value of tangible and intangible assets acquired on acquisitions involved the use of valuation techniques and the estimation of future cash flows to be generated over a number of years. The estimations were carried out by a third party and required the combination of assumptions including revenue growth, rental values, no environmental issues and business development.

ii.) Impairment of intangible assets and goodwill (note 9)

The Company considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified, the estimation of recoverable value requires estimation of the recoverable value of the associated cash generating units. This requires estimation of the future cash flows from the cash generating units and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

3 Turnover

The Company has a single class of business, providing educational and care services. The Company earns all of its revenue in the UK.

An analysis of the Company's turnover is as follows:

	Period to 30 April 2017 £
Rendering of services	353,329

4 Interest payable

	Period to 30 April 2017 £
Finance lease interest	400

Notes to the financial statements *(continued)*
For the period ended 30 April 2017

5 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	Period to 30 April 2017 £
Depreciation of tangible fixed assets	22,274
Amortisation of intangible assets	26,961
Operating lease costs	3,315
	52,550

The analysis of auditor's remuneration is as follows:

	Period to 30 April 2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	12,000
Non-audit fees:	
Taxation compliance services	2,000
	14,000

6 Staff numbers and costs

The average number of staff employed by the Company (including executive directors) during the financial period amounted to:

	Period to 30 April 2017 No
Administration	20
Operations	40
	60

The aggregate payroll costs of the above were:

	Period to 30 April 2017 £
Wages and salaries	214,681
Social security costs	18,390
Other pension costs	19,424
	252,495

Pension schemes

The Company operates defined contribution pension schemes. The pension costs charge for the period represents contributions payable by the Company to the schemes and amounted to £1,960. There were no outstanding or prepaid contributions at the end of the financial period.

Notes to the financial statements *(continued)*
For the period ended 30 April 2017

7 Directors' remuneration and transactions

The Company did not pay any emoluments to the directors during the period. The directors are remunerated by another entity within the Aurora Group for services to the Group as a whole and as such it is not possible to directly attribute any element of their remuneration to services as a director of this Company.

8 Tax on loss on ordinary activities

(a) Analysis of credit in the period

	Period to 30 April 2017
	£
Deferred tax:	
Origination and reversal of timing differences	**(2,370)**
Effect of changes in tax rates	**(8,873)**
Tax on loss on ordinary activities	**(11,243)**

(b) Factors affecting tax credit

The tax credit for the period is lower than the average standard rate of corporation tax in the UK of 19.92%. The differences are explained below:

The charge for the period can be reconciled to the loss per the statement of comprehensive income as follows:	**Period to 30 April 2017** **£**
Loss on ordinary activities before tax	**(82,195)**
Tax credit at 19.92%	**(16,372)**
Effects of:	
Expenses not deductible for tax purposes	**3,198**
Tax rate changes	**1,931**
Tax credit for the period	**(11,243)**

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the Company's future current tax charge accordingly. The deferred tax assets and liabilities at 30 April 2017 have been calculated based on these rates.

Notes to the financial statements *(continued)*
For the period ended 30 April 2017

9 Intangible assets

	Goodwill £	Customer relationships £	Total £
COST			
At 22 April 2016	-	-	-
Additions	438,825	370,000	808,825
At 30 April 2017	**438,825**	**370,000**	**808,825**
AMORTISATION			
At 22 April 2016	-	-	-
Charge for the period	14,628	12,333	26,961
At 30 April 2017	**14,628**	**12,333**	**26,961**
NET BOOK VALUE			
At 30 April 2017	**424,197**	**357,667**	**781,864**

Goodwill arose during the period on the purchase of the trade and assets of New Eccles Hall school which occurred on 3 March 2017. The goodwill will be amortised over a period of 5 years.

The customer relationships intangible fixed asset arose from the purchase of New Eccles Hall school, as described above. Customer relationships are amortised over a period of 5 years, based on occupants' average length of stay.

10 Tangible assets

	Construction in progress £	Land & buildings £	Fixtures, fittings and equipment £	Computer hardware & software	Motor Vehicles £	Total £
COST						
At 22 April 2016	-	-	-	-	-	-
Additions	14,845	750,000	188,080	41,110	16,033	**1,010,068**
At 30 April 2017	**14,845**	**750,000**	**188,000**	**41,110**	**16,033**	**1,010,068**
DEPRECIATION						
At 22 April 2016	-	-	-	-	-	-
Charge for the period	-	1,433	16,739	3,441	661	**22,274**
At 30 April 2017	**-**	**1,433**	**16,739**	**3,441**	**661**	**22,274**
NET BOOK VALUE						
At 30 April 2017	**14,845**	**748,567**	**171,341**	**37,669**	**15,372**	**987,794**

Land and buildings includes land at cost of £320,000 and is not depreciated.

The net carrying amount of assets held under finance leases included in computer hardware and software is £9,183 and motor vehicles is £15,372.

Notes to the financial statements *(continued)*
For the period ended 30 April 2017

11 Debtors due within one year

	As at 30 April 2017 £
Amounts falling due within one year:	
Trade debtors	79,465
Other debtors	511
Prepayments and accrued income	422,853
Deferred tax	-
	502,829

12 Creditors - amounts falling due within one year

	As at 30 April 2017 £
Trade creditors	55,008
Amounts owed to Group undertakings	1,400,946
Social security and other taxes	25,368
Finance leases	16,603
Other creditors	445,074
Accruals and deferred income	795,603
	2,738,602

Amounts owed to Group undertakings carry no rate of interest and are repayable on demand.

13 Creditors - amounts falling due after one year

	As at 30 April 2017 £
Finance leases (see note 14)	6,158

14 Finance leases

The future minimum finance lease payments are as follows:

	As at 30 April 2017 £
Payments due:	
Not later than one year	17,847
Later than one year and not later than five years	6,392
Total gross payments	24,239
Less: finance charges	(1,478)
	22,761

The finance leases relates to the leasing of computer equipment and motor vehicles. The remaining lease terms for them all are within two years and the Company will retain ownership at the end of the lease term.

Notes to the financial statements *(continued)*
For the period ended 30 April 2017

15 Provision for liabilities

	As at 30 April 2017 £
Deferred tax	61,767

16 Deferred tax

The deferred tax included in the balance sheet is as follows:

	As at 30 April 2017 £
Included in current assets	10,110
Included in provision for liabilities (note 15)	(61,767)
	(51,657)

The movement in the deferred taxation account during the period was:

	As at 30 April 2017 £
Statement of comprehensive income movement arising during the period	11,243
Movement arising from acquisitions	(62,900)
Balance carried forward	(51,657)

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	As at 30 April 2017 £
Short term timing differences – trading	3,272
Losses	6,838
Fixed asset timing differences	(61,767)
	(51,657)

Notes to the financial statements *(continued)*
For the period ended 30 April 2017

17 Financial instruments

Financial assets	**As at 30 April 2017**
	£
Measured at undiscounted amount receivable:	
Trade and other debtors	**502,829**

Financial liabilities	**As at 30 April 2017**
	£
Measured at undiscounted amount payable:	
Trade and other creditors	**2,738,602**

The directors identify, assess and manage the risks associated with the business objectives and strategy as detailed in the Director's Report.

18 Called-up share capital

Allotted, called-up and fully paid:

	30 April 2017	
	No	**£**
1 Ordinary share of £1 each	**1**	**1**

The Company has one class of ordinary shares which carry no right to fixed income.

The profit and loss account reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

19 Operating lease commitments

The Company has the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	As at 30 April 2017
	£
Payments due:	
Not later than one year	**17,293**
Later than one year and not later than five years	**23,899**
	41,192

Notes to the financial statements *(continued)*
For the period ended 30 April 2017

20 Ultimate parent undertaking

The Company's ultimate parent is Octopus Capital Limited, a company registered in England & Wales. The consolidated financial statements of the group are available to the public from Companies House. The smallest group in which the Company is consolidated is that headed by Aurora Care and Education Holdings Limited, incorporated in the United Kingdom. The consolidated financial statements of the Aurora Group are available to the public from Companies House. In the opinion of the directors there is no ultimate controlling party.

21 Events after the reporting period

There have been no important events after the year end.