

Registration number: 03292207

Belmont School Limited

Directors' Report and Financial Statements

for the Year Ended 31 August 2013

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Belmont School Limited Company Information

Directors	D W Johnson J-L Janet M Robinson N-J Macdonald
Company secretary	W Napier-Fenning
Registered office	1 Merchant's Place River Street Bolton Lancashire BL2 1BX
Solicitors	SNR Denton One Fleet Place London EC4M 7WS
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Auditors	Ernst & Young LLP Bedford House 16 Bedford Street Belfast Northern Ireland BT2 7DT

Belmont School Limited

Directors' Report for the Year Ended 31 August 2013

The directors present their report and the financial statements for the year ended 31 August 2013.

Directors of the company

The directors who held office during the year were as follows:

S R Page (resigned 6 August 2013)

D W Johnson

J-L Janet

M Robinson (appointed 22 November 2012)

The following director was appointed after the year end:

N-J Macdonald (appointed 16 September 2013)

Principal activity

The company provides education for children and young people with special education needs with placement being referred from a number of local authorities. The company is part of the Acorn Care 1 Limited Group ("Group"). The Group provides a range of education and care services for children with special needs and looked after children, their families and local authorities across the UK. The Group Statement of Purpose is to establish a group of schools and care providers that meet the holistic needs of children with special needs. The Group aims to provide high quality care and education, to focus on the outcomes for each individual young person it looks after, and to provide equality of opportunity.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.


Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Small company provisions statement

This report has been prepared in accordance with the small companies regime under Part 15 of the Companies Act 2006.

Approved by the Board on 29/1/2014 and signed on its behalf by:



N-J Macdonald
Director

Belmont School Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

Belmont School Limited

Independent Auditor's Report to the Members

We have audited the financial statements of Belmont School Limited which comprise of the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 16 for the year ended 31 August 2013, set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), 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 (APB'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 Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

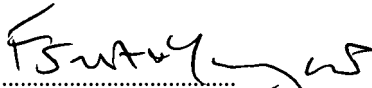
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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:

Belmont School Limited
Independent Auditor's Report to the Members

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime.



David Galbraith (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor

Bedford House
16 Bedford Street
Belfast
Northern Ireland
BT2 7DT

Date: 31 July 2014

Belmont School Limited
Profit and Loss Account for the Year Ended 31 August 2013

	Note	2013 £	2012 £
Turnover		5,043,429	4,199,112
Cost of sales		<u>(1,815,065)</u>	<u>(1,625,178)</u>
Gross profit		3,228,364	2,573,934
Administrative expenses		<u>(2,875,514)</u>	<u>(2,279,082)</u>
Operating profit	2	352,850	294,852
Interest payable and similar charges	3	<u>-</u>	<u>(914)</u>
Profit on ordinary activities before taxation		352,850	293,938
Tax on profit on ordinary activities	4	<u>(99,834)</u>	<u>(93,431)</u>
Profit for the financial year	12	<u><u>253,016</u></u>	<u><u>200,507</u></u>

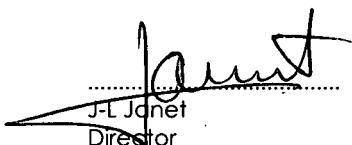
Turnover and operating profit derive wholly from continuing operations.

Belmont School Limited
(Registration number: 03292207)
Balance Sheet as at 31 August 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	6	3,504,307	3,563,000
Current assets			
Stocks	7	1,813	3,527
Debtors	8	939,194	756,904
Cash at bank and in hand		9,075	257,873
		<u>950,082</u>	<u>1,018,304</u>
Creditors: Amounts falling due within one year	9	<u>(2,338,904)</u>	<u>(2,718,835)</u>
Net current liabilities		<u>(1,388,822)</u>	<u>(1,700,531)</u>
Net assets		<u>2,115,485</u>	<u>1,862,469</u>
Capital and reserves			
Called up share capital	11	900	900
Profit and loss account	12	<u>2,114,585</u>	<u>1,861,569</u>
Shareholders' funds		<u>2,115,485</u>	<u>1,862,469</u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Company Act 2006 applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board on 29/11/2014 and signed on its behalf by:


 J-L Janet
 Director

Belmont School Limited

Notes to the Financial Statements for the year ended 31 August 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE) (effective April 2008).

Exemption from preparing a cash flow statement

The company is exempt from preparing a cash flow statement in accordance with FRS1 as 90% or more of the voting rights are held within the Group.

Going concern

The parent company has indicated its willingness to continue to support the company and in particular not to recall the amounts advanced to the company at the balance sheet date. Accordingly the directors believe it is appropriate to prepare the financial statements on the going concern basis.

Turnover

Turnover represents amounts chargeable in respect of services provided during the year. Where invoices are raised and the services to which they relate have not been performed, the extent of the invoice relating to the unperformed service is carried forward as deferred income.

Turnover is attributable to one class of business, being the provision of education for children and young adults with special education needs.

All turnover arose within the United Kingdom.

Revenue recognition

Revenue is recognised on the provision of education and care for children and young adults. Revenue is measured at the fair value of the consideration received, excluding VAT and discounts.

Goodwill

Goodwill arising on acquisitions of subsidiary undertakings is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised through the Profit and Loss account on a straight line basis over its estimated useful economic life of 5 years.

It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets at the following annual rates calculated to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Freehold properties are held at the revalued amount since acquisition by the Acorn Group and depreciated based on the revalued amount. Freehold land is not depreciated.

Asset class

Freehold and leasehold property

Depreciation method and rate

2% straight line or over the period of the lease

Belmont School Limited
Notes to the Financial Statements for the year ended 31 August 2013

Plant and machinery	15% straight line
Fixtures, fittings and equipment	15 - 33% straight line
Motor vehicles	25% straight line

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Costs include all direct costs and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Hire purchase and leasing

Rental payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

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, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Pensions

The company makes pension contributions in respect of certain eligible teaching staff to the Teachers Pension Agency which is a "Multi-Employer" pension scheme. Based on consultations the directors are unable to identify the company's share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Consequently the company treats the scheme as a defined contribution scheme with contributions charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Belmont School Limited
Notes to the Financial Statements for the year ended 31 August 2013

2 Operating profit

Operating profit is stated after charging/(crediting):

	2013 £	2012 £
Loss on sale of tangible fixed assets	-	428
Depreciation	175,001	173,218
Audit of the financial statements	<u>5,344</u>	<u>7,690</u>

Fees paid to the company's auditor, Ernst & Young LLP, and its associates for services other than the statutory audit of the company are disclosed in Acorn Care 1 Limited on a consolidated basis.

The directors did not receive any remuneration from the company during the year ended 31 August 2013 (2012: Nil).

3 Interest payable and similar charges

	2013 £	2012 £
Other interest payable	-	364
Finance charges	<u>-</u>	<u>550</u>
	<u>-</u>	<u>914</u>

4 Taxation

Tax on profit on ordinary activities

	2013 £	2012 £
Current tax		
Group relief	105,050	94,939
Deferred tax		
Origination and reversal of timing differences	(5,146)	(3,381)
Deferred tax adjustment relating to previous years	(760)	2,162
Effect of changes in tax rates	<u>690</u>	<u>(289)</u>
Total deferred tax	<u>(5,216)</u>	<u>(1,508)</u>
Total tax on profit on ordinary activities	<u>99,834</u>	<u>93,431</u>

Factors that may affect future tax charges

Deferred tax has been calculated at the rates at which timing differences are expected to reverse. The corporation tax rate fell from 24% to 23% from 1 April 2013. Further to this, the corporation tax rate will reduce to 21% from 1 April 2014 and to 20% from 1 April 2015, both changes having been substantively enacted on 2 July 2013.

Belmont School Limited
Notes to the Financial Statements for the year ended 31 August 2013

5 Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 September 2012	900,000	900,000
At 31 August 2013	900,000	900,000
Amortisation		
At 1 September 2012	900,000	900,000
At 31 August 2013	900,000	900,000
Net book value		
At 31 August 2013	-	-
At 31 August 2012	-	-

6 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 September 2012	3,524,610	671,221	141,404	4,337,235
Additions	46,391	69,917	-	116,308
At 31 August 2013	3,571,001	741,138	141,404	4,453,543
Depreciation				
At 1 September 2012	235,224	465,825	73,186	774,235
Charge for the year	70,819	78,245	25,937	175,001
At 31 August 2013	306,043	544,070	99,123	949,236
Net book value				
At 31 August 2013	3,264,958	197,068	42,281	3,504,307
At 31 August 2012	3,289,386	205,396	68,218	3,563,000

Leased assets

Included within the net book value of tangible fixed assets is £Nil (2012 - £Nil) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £Nil (2012 - £4,603).

Belmont School Limited
Notes to the Financial Statements for the year ended 31 August 2013

7 Stocks

	2013 £	2012 £
Fuel stock	<u>1,813</u>	<u>3,527</u>

8 Debtors: Amounts falling due within one year

	2013 £	2012 £
Trade debtors	354,539	557,398
Amounts owed by group undertakings	168,331	167,832
Other debtors	387,427	-
Deferred tax	5,268	52
Prepayments and accrued income	<u>23,629</u>	<u>31,622</u>
	<u>939,194</u>	<u>756,904</u>

Deferred tax

The movement in the deferred tax asset in the year is as follows:

	Deferred tax £
At 1 September 2012	52
Credited to the profit and loss account	<u>5,216</u>
At 31 August 2013	<u>5,268</u>

Analysis of deferred tax

	2013 £	2012 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>5,268</u>	<u>52</u>

Belmont School Limited
Notes to the Financial Statements for the year ended 31 August 2013

9 Creditors: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	24,308	21,539
Amounts owed to group undertakings	680,094	1,554,524
Corporation tax	105,050	-
Other taxes and social security	46,932	46,609
Other creditors	427,776	4,065
Accruals and deferred income	1,054,744	1,092,098
	<u>2,338,904</u>	<u>2,718,835</u>

10 Obligations under leases and hire purchase contracts

Operating lease commitments

As at 31 August 2013 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2013 £	2012 £
Within one year	<u>1,883</u>	<u>-</u>

11 Share capital

Allotted, called up and fully paid shares

	2013		2012	
	No.	£	No.	£
Ordinary shares of £1 each	<u>900</u>	<u>900</u>	<u>900</u>	<u>900</u>

12 Reserves

	Profit and loss account £	Total £
At 1 September 2012	1,861,569	1,861,569
Profit for the year	<u>253,016</u>	<u>253,016</u>
At 31 August 2013	<u>2,114,585</u>	<u>2,114,585</u>

Belmont School Limited

Notes to the Financial Statements for the year ended 31 August 2013

13 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £11,496 (2012 - £11,415).

Contributions totalling £2,818 (2012 - £1,574) were payable to the scheme at the end of the year and are included in creditors.

14 Contingent liabilities

The company has given security by way of unlimited fixed and floating charges over all of its assets to the finance parties providing banking facilities to Acorn Care 4 Limited, a fellow subsidiary undertaking of the Acorn Care 1 Limited Group. The amount outstanding to the finance parties providing the banking facilities to Acorn Care 4 Limited at 31 August 2013 was £86,027,138 (2012 : £94,709,385).

15 Related party transactions

During the year, the company entered into transactions, in the ordinary course of business, with other related parties, including management charges, interest and amounts paid on behalf of the company. Transactions, entered into, and trading balances, excluding group relief, outstanding at 31 August 2013 are as follows:

	<i>Sales to related parties</i>	<i>Purchases from related parties</i>	<i>Amounts owed by related parties</i>	<i>Amounts owed to related parties</i>
	£	£	£	£
Amounts with Parent Company				
2013	-	1,708,824	-	(680,094)
2012	-	1,284,560	-	(1,554,524)
Amounts with Fellow Undertakings				
2013	-	-	168,331	-
2012	-	-	167,832	-

16 Ultimate parent undertaking and controlling party

The immediate parent company is Acorn Care & Education Limited, a company incorporated in England and Wales.

The ultimate parent undertaking is Acorn Care 1 Limited, a company incorporated in England and Wales.

However, by virtue of its shareholdings in Acorn Care 1 Limited, the ultimate controlling party is Ontario Teachers' Pension Plan Board.

Copies of the financial statement of Acorn Care 1 Limited are available from the company's registered office, 1 Merchant's Place, River Street, Bolton, BL2 1BX.