Options Autism (3) Limited

Report and Financial Statements

Period ended

31 December 2016

Company Number 06924421

WEDNESDAY

L6FVQJ3T

LD4 27/09/2017 #232

COMPANIES HOUSE

Options Autism (3) Limited

Report and financial statements
for the period ended 31 December 2016

Contents

Page:

1	Strategic report
2	Report of the directors
5	Independent auditor's report
7	Statement of comprehensive income
8	Balance sheet
9	Statement of changes in equity
10	Notes forming part of the financial statements

Directors

G Baker
R L Northall
J Worsley
R Cooke

Company secretary and registered office

Turnpike Gate House, Alcester Heath, Alcester, Warwickshire, B49,5JG

Company number

06924421

Auditors

BDO LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL

Options Autism (3) Limited

Strategic report
for the period ended 31 December 2016

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2016.

Business Overview

The ultimate parent undertaking of Options Autism (3) Limited is Boston Holdco A Limited. Therefore detailed text below including key performance indicators and principal risks and uncertainties has been taken from the business overview of Boston Holdco A Limited.

The principal activity of the group is the provision of specialist education and care services in England and Wales for children and adults.

In March 2016 the group refinanced its debt to facilitate the acquisition of Options Group Holdings Limited and its subsidiaries, a group that also provides specialist services for children, young people and adults with autistic spectrum conditions (ASC) and behavioural, emotional, social and mental health difficulties (BESD/SEMH). The acquisition was funded through cash, banking facilities and support from Sovereign Capital Partners LLP. At the same time Hillcrest Care Limited (a subsidiary holding company) and its subsidiary companies comprising the Foster Care division, including Orange Grove Fostercare Limited, was transferred as a standalone investment within the investment portfolio of the ultimate controlling party, Sovereign Capital Partners LLP.

As a result of this transaction on 7 March 2016 the group took control of Outcomes First Group Holdings Limited and its subsidiary undertakings, and acquired Options Group Holdings Limited and its subsidiaries. Accordingly, Boston Holdco A Limited group relates to the consolidated results of these companies from 7 March 2016.

The group has continued to expand throughout 2016 through the opening of new schools and care homes adding an additional 24 places across the group. The Board continues to focus on delivering high quality services and the best possible outcomes for all our young people and adults. There has been a continued improvement in quality ratings during 2016 and we expect this to continue into the coming financial year and ultimately deliver improved financial results.

Key Performance Indicators

The company measures its performance on a number of key performance indicators including revenue, profit from operations and net cash from operations. In addition placement numbers are considered to be a key performance indicator within each division of the business.

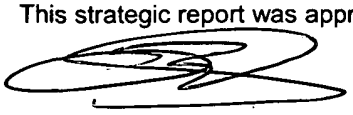
Principal risks and uncertainties

The management of the business and execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the group are considered to relate to the continued provision of adequate government funding and the ongoing compliance with current and future legislation.

The group companies manage these risks by providing, among other things, a high standard of comprehensive care and specialist education and maintaining strong relationships with a broad spread of service purchasers.

Approval

This strategic report was approved on behalf of the Board on 15/9/2017



G Baker

Director

Options Autism (3) Limited

Directors' report
for the period ended 31 December 2016

The Directors present their report together with the audited financial statements for the period ended 31 December 2016.

Principal activity

The principal activity of the Company during the financial period were that of specialist services for individuals with autistic spectrum disorders (ASD).

There are no plans to alter the existing operation of the Company.

Results and dividends

The statement of comprehensive income is set out on page 7 and shows the result for the period.

The directors do not recommend the payment of a dividend for the period under review (31 March 2016 - £Nil).

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks and these are managed on a Group-wide basis. Management reviews risk formally and appropriate processes are put in place to monitor and mitigate them.

Key operational risks affecting the Group are set out below:

Quality of service and compliance
The Group operates in a highly regulated environment and compliance with such regulations is key to the operational success of the business. The Group is registered with various regulatory bodies and is subject to continuous review by these bodies. Management closely monitor performance in this area and have a structured system in place throughout the organisation to ensure compliance and continual improvement.

Health and Safety
The Group is subject to various health and safety requirements and has put in place individuals to monitor compliance with health and safety laws and regulations.

Financial risk management
The Group's operations expose it to a variety of financial risks that include the effects of changes in prices, credit risk, liquidity risk and interest rate risk. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by monitoring these risks.

Price risk
The National Living Wage legislation is expected to impact upon price; the Group's focus on demonstrating value for money and outcomes achieved with the young people, together with support from the local authorities is expected to mitigate price risk.

Credit risk
On the 7 March 2016, all outstanding debt payable to Barclays Bank PLC was repaid as part of the acquisition by Outcomes First Group Limited. The enlarged group, through its new banking and debt facilities is subject to a combined suite of financial covenants which Options Group Holdings Limited and its subsidiaries are part of. These covenants cover key areas including minimum levels of financial performance. The Group has in place appropriate short and medium term reporting and forecasting systems that assist the Board in making a balanced assessment of the ability of the Group to meet its financial and reporting obligations to both lenders and investors as they fall due.

Liquidity risk
The Group is supported by a rolling credit facility. Debt facilities are structured to ensure that the Group has sufficient cash flow headroom to meet its obligations and deliver its strategic growth objectives.

Principal risks and uncertainties *(continued)*

Interest rate risk
The Group has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash, which is subject to variations in interest rates. The Group has a policy of maintaining debt at a fixed rate above LIBOR to provide a degree of certainty over future cash flows. The Directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

Post balance sheet events

There have been no significant events affecting the Company since the period end.

Directors

The directors of the Company throughout the period were:

G Baker
R L Northall
J Worsley
R Cooke

Directors' indemnity

The directors have the benefit of the indemnity provision contained in the Company's Articles of Association. This provision was in force throughout the last financial year and is currently in force. This provision is a qualifying third party indemnity provision under section 234 of the Companies Act 2006. The Company also purchased and maintained throughout the financial period directors' and officers' liability insurance in respect of itself and its directors.

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent Company Boston Holdco A Limited. The Directors have received confirmation that Boston Holdco A Limited intends to support the Company for at least one year after these financial statements are signed.

Political and charitable contributions

During the period ended 31 December 2016 the Company made no charitable or political donations (31 March 2016 - £Nil).

Matters covered in the Strategic Report

The future developments of the Company and its key performance measures have been discussed in the Strategic Report.

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 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.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approval

This Directors' Report was approved by order of the board on 15/9/2017

R L Northall

Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPTIONS AUTISM (3) LIMITED

We have audited the financial statements of Options Autism (3) Limited for the period ended 31 December 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 Financial Reporting Council's (FRC'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 FRC'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 Company's affairs as at 31 December 2016 and of its profit for the period 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, based on the work undertaken in the course of the audit:

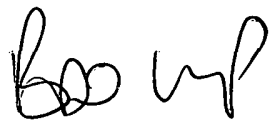
- the information given in the strategic report and directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the strategic report or the directors' report.

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
- we have not received all the information and explanations we require for our audit.



Malcolm Thixton (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton
United Kingdom

Date 15/9/2017

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

Options Autism (3) Limited

Statement of comprehensive income
for the period ended 31 December 2016

	Note	9 months ended 31 December 2016 £	Restated Year ended 31 March 2016 £
Turnover	3	**437,209**	535,687
Cost of sales		**(330,100)**	(400,443)
Gross profit		**107,109**	135,244
Administrative expenses		**(72,593)**	(226,925)
Earnings before interest, taxation, depreciation and amortisation		**38,320**	27,126
Depreciation	9	**(10,554)**	(21,612)
Impairment loss		**-**	(97,195)
Reversal of impairment		**6,750**	-
Operating profit / (loss)	4	**34,516**	(91,681)
Interest payable and similar charges	7	**-**	(58)
Profit / (loss) on ordinary activities before taxation		**34,516**	(91,739)
Taxation on profit / loss from ordinary activities	8	**(828)**	37,611
Profit / (loss) for the financial period		**33,688**	(54,128)
Other comprehensive income for the period			
Gain / (loss) on revaluation of properties		**-**	(187,241)
Total comprehensive profit / (loss) for the period		**33,688**	(241,369)

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

Options Autism (3) Limited

Balance sheet
at 31 December 2016

Company number 06924421	Note	31 December 2016 £	31 December 2016 £	Restated 31 March 2016 £	Restated 31 March 2016 £
Fixed assets					
Intangible assets			-		-
Tangible assets	9		**398,056**		399,114
					399,114
Current assets					
Debtors	10	**150,440**		15,531	
Cash at bank and in hand		**29,734**		56,562	
		180,174		72,093	
Creditors: amounts falling due within one year	11	**(599,235)**		(519,444)	
Net current liabilities			**(419,061)**		(447,351)
Total assets less current liabilities			**(21,005)**		(48,237)
Provisions for liabilities	13		**(24,932)**		(31,388)
Net liabilities			**(45,937)**		(79,625)
Capital and reserves					
Called up share capital	15		-		-
Profit and loss account			**(45,937)**		(79,625)
			(85,275)		(79,625)

The financial statements were approved by the Board of Directors and authorised for issue on 15/9/2017

R L Northall

Director

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

Options Autism (3) Limited

Statement of changes in equity
for the period ended 31 December 2016

	Share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
1 April 2015	-	184,500	(25,497)	159,003
Comprehensive income for the period				
Profit for the period	-	-	7,350	7,350
Revaluation of freehold property	-	2,741	-	2,741
Other comprehensive income	-	2,741	-	2,741
Total comprehensive income for the period	-	2,741	7,350	10,091
31 March 2016 as previously stated	-	187,241	(18,147)	169,094
Prior year adjustment	-	(187,241)	(61,478)	(248,719)
31 March 2016 as restated	-	-	(79,625)	(79,625)
1 April 2016	-	-	**(79,625)**	**(79,625)**
Comprehensive income for the period				
Profit for the period	-	-	**33,688**	**33,688**
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	**33,688**	**33,688**
31 December 2016	-	-	**(45,937)**	**(45,937)**

Prior Year adjustment

In prior year there was an error in respect of the value assigned to the freehold properties and the subsequent calculation of deferred taxation. As the error was material, comparative information has been restated.

The impact was to decrease the profit and loss account by £61,478, decrease the revaluation reserve by £187,241, decrease the deferred tax liability by £35,717 and decrease the value of the freehold property by £284,436.

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

1 Accounting policies

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Company management to exercise judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

Going concern

The Company has generated a profit for the period, and has net current liabilities, and the directors have prepared the financial statements on the going concern basis which is supported by forecasts and projections covering the period of not less than 12 months from the date these financial statements are approved, and a letter of support from the ultimate parent undertaking Boston Holdco A Limited.

Cash flow statement

The Company has taken advantage of the exemption conferred by FRS 102 not to prepare a cash flow statement on the grounds that it is a member of a group where the parent of the group Boston Holdco A Limited, prepares publically available consolidated financial statements, and the Company is included in those consolidated financial statements.

Revenue

Turnover represents sales to external customers at invoiced amounts net of discounts less value added tax or local taxes on sales.

Tangible fixed assets and depreciation

All fixed assets are initially recorded at historical cost, being the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.
Properties are subsequently revalued by external independent valuers on a regular basis using open market value, less subsequent depreciation so that the carrying value of an asset does not differ significantly from its fair value at the balance sheet date. When a valuation is below current carrying value, the asset concerned is reviewed for impairment. Impairment losses are charged to the statement of comprehensive income. Surpluses on revaluation are recognised in the revaluation reserve.

Depreciation on assets is charged at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	-	2% straight line
Office equipment	-	25% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

1 Accounting policies *(continued)*

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit ('CGU') to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax balances are not discounted.

1 Accounting policies *(continued)*

Leased assets

Where assets are financed by leasing agreements that give rights approximately to ownership (finance leases), the assets are treated as if they has been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the statement of comprehensive over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the statement of comprehensive income on a straight-line basis over the term of the lease, or up to the first break clause.

Pension costs

Contributions to the Company's defined contribution pension scheme are charged to the statement of comprehensive income in the period in which they become payable.

Government Grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure.

Provisions for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the Company either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- Determine whether the fair value of the properties is the price that would be received to sell the asset in an orderly transaction between market participants.

- Determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Key assumptions include:

Operating cash flows

The main assumptions, which are derived from past experience and external information, within the forecast operating cash flows include the achievements of future sale prices and volumes, material input costs, changes in sales mix and the level of ongoing capital expenditure.

Discount rates

The discount rate is a pre-tax adjusted discount rate and reflects management's estimate of the Company's weighted average cost of capital.

Long term growth rates

The management forecasts are extrapolated using growth assumptions relevant for the business sector and are based on industry research.

3 Analysis of turnover

Turnover is wholly attributable to the principal activity of the Company and arises solely within the United Kingdom.

The turnover shown represents amounts invoiced for services provided in the period. All turnover is derived from its principal activity of a range of services for young people with complex autistic spectrum disorders. All operations are within the United Kingdom. Turnover is recognised on provision of the service. Where amounts are invoiced in advance or arrears, income recognition is adjusted to include only the amounts relating to services provided in the current period, with accrued or deferred turnover being recognised on the balance sheet as appropriate.

4 Operating profit

	9 months ended 31 December 2016 £	Year ended 31 March 2016 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	**10,554**	21,612
Profit on disposal of fixed assets	**-**	-
Property revaluation	**(6,750)**	-
Services provided by the Company's auditors:		
- Fees payable for the audit	**5,625**	6,526
- Fees payable for other services	**-**	1,735

5 Employees

	9 months ended 31 December 2016 £	Year ended 31 March 2016 £
Staff costs consist of:		
Wages and salaries	**227,868**	318,609
Social security costs	**16,701**	20,445
Cost of defined contribution scheme	**-**	-
	244,569	339,054

The average number of employees (excluding directors) during the period was as follows:

	Number	Number
Care and education staff	**18**	20
Administrative staff	**2**	2
	20	22

6 Directors' remuneration

No director received any emoluments during the current period (2015 - £Nil).

There were no directors in the Company's defined contribution pension scheme during the period (2015 - Nil).

All directors' costs are borne by Hillcrest Childrens Services Limited and Options Group Holdings Limited.

7 Interest payable and similar charges

	9 months ended 31 December 2016 £	Year ended 31 March 2016 £
Interest payable on bank loans and overdrafts	-	58

8 Taxation on profit on ordinary activities

	9 months ended 31 December 2016 £	9 months ended 31 December 2016 £	Year ended 31 March 2016 £	Year ended 31 March 2016 £
UK corporation tax				
Current tax on profit of the period	-		-	
Adjustment in respect of previous periods	-		-	
Group relief	**7,284**		-	
		7,284		-
Total current tax				
Deferred tax				
Origination and reversal of timing differences	**(381)**		(30,005)	
Adjustment in respect of previous periods	**(4,646)**		(150)	
Changes to tax rates	**(1,429)**		(7,456)	
Movement in deferred tax provision		**(6,456)**		(37,611)
Taxation on profit on ordinary activities		**828**		(37,611)

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

The tax assessed for the period is lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	9 months ended 31 December 2016 £	Year ended 31 March 2016 £
Profit / (loss) on ordinary activities before tax	**34,516**	(91,739)
Profit / (loss) on ordinary activities at the standard rate of corporation tax in the UK of 20.00% (31 March 2016 - 20%)	**6,903**	(18,348)
Effects of:		
Expenses not deductible for tax purposes	-	28,330
Transfer pricing adjustment	-	(2,655)
Effects of tax rates/(credits)	**(1,429)**	(7,456)
Adjustment for prior periods	**(4,646)**	(150)
Group relief surrendered not paid	-	(1,615)
Revaluation of freehold property		(35,717)
Total tax charge for the period	**828**	(37,611)

Deferred tax assets are recognised losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. For further information on deferred tax balances see note 13.

We have used a rate of 20.00% (2016 – 20.00%) for the purpose of preparing the tax disclosure. Following the Summer Budget 2015 announcements, there will be a further reduction in the main rate of corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020. In the recent 2016 Budget, the Government announced that the UK corporation tax rate will decrease further to 17% from 1 April 2020. As this change was substantively enacted at the balance sheet date and no material amount is expected to unwind prior to 1 April 2020, deferred tax is recognised at 17% in the current period (2015: 18%).

9 Tangible fixed assets

	Restated Freehold property £	Fixtures and fittings £	Office equipment £	Motor vehicles £	Restated Total £
Cost or valuation					
At 1 April 2016 as restated	390,000	26,196	29,098	7,279	452,573
Additions	-	1,780	967	-	2,747
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 December 2016	**390,000**	**27,976**	**30,065**	**7,279**	**455,320**
Depreciation					
At 1 April 2016 as restated	-	22,185	24,427	6,848	53,460
Provided for the period	6,750	1,561	2,143	100	10,554
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Revaluation	(6,750)	-	-	-	(6,750)
At 31 December 2016	-	**23,746**	**26,570**	**6,948**	**57,264**
Net book value					
At 31 December 2016	**390,000**	**4,230**	**3,495**	**331**	**398,056**
At 31 March 2016	390,000	4,011	4,671	431	399,113

A full valuation of the freehold properties was carried out by GVA Grimley Surveyors at 7 March 2016 based on an existing use value. These valuations had not changed for the year ended 31 March 2016 or the period ended 31st December 2016.

10 Debtors

	31 December 2016 £	31 March 2016 £
Trade debtors	-	12,549
Amounts owed by group undertakings	**147,918**	-
Other debtors	-	-
Prepayments and accrued income	**2,522**	2,982
Deferred taxation	-	-
	150,440	15,531

11 Creditors: amounts falling due within one year

	31 December 2016 £	31 March 2016 £
Trade creditors	**32,425**	12,477
Amounts owed to group undertakings	**548,545**	484,989
Corporation tax	-	-
Other taxation and social security	**5,578**	5,607
Other creditors	**2,121**	612
Accruals and deferred income	**10,566**	15,759
Obligations under finance lease and hire purchase contracts	-	-
	599,235	519,444

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

12 Financial instruments

The Company's financial instruments may be analysed as follows:

	31 December 2016 £	31 March 2016 £
Financial assets that are debt instruments measured at amortised cost	**180,174**	72,093
Financial liabilities measured at amortised cost	**(593,657)**	(513,837)
	(413,483)	(441,744)

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to group undertakings.

13 Provisions for liabilities

	31 December 2016 £	31 March 2016 £
Deferred taxation liability	**24,932**	31,388

The deferred tax liability at 31 December 2016 is held within creditors (see note 11).

	Deferred Taxation £
At 1 April 2016	31,388
Credit to profit and loss account	(1,810)
Adjustment in respect of prior periods	(4,646)
At 31 December 2016	24,932

Deferred taxation

	31 December 2016 £	31 March 2016 £
Accelerated capital allowances	**29,005**	31,388
Losses	**(4,073)**	-
	24,932	31,388

14 Pensions

Defined contribution scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the schemes and amounted to £Nil (31 March 2016 - £Nil. There was £Nil (31 March 2016 - £Nil) accrued at the period end.

15 Share capital

	31 December 2016 £	31 March 2016 £
Allotted, called up and fully paid		
1 ordinary shares of £0.01 each	-	-

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

16 Related party disclosures

The Company has taken advantage of the exemption conferred by FRS 102, section 33 'Related Party Disclosures', not to disclose transactions entered into between wholly owned group companies.

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Company are considered to be key management personnel. These costs are borne by Hillcrest Childrens Services Limited and Options Group Holdings Limited.

Controlling parties

The Company's immediate parent undertaking is Options Group Holdings Limited, a Company incorporated in England & Wales. The ultimate parent undertaking is Boston Holdco A Limited, incorporated in England & Wales.

The ultimate controlling party of Boston Holdco A Limited is Sovereign Capital Partners LLP.

17 Ultimate parent Company and controlling party

The Company's immediate parent undertaking is Options Group Holdings Limited, a Company incorporated in England & Wales. The Company's ultimate parent undertaking is Boston Holdco A Limited, a Company incorporated in England & Wales.

The largest group in which the results of the Company are consolidated is that headed by Boston Holdco A Limited, incorporated in England & Wales. The smallest group in which they are consolidated is that headed by Outcomes First Midco Limited (formerly Boston Midco Limited), incorporated in England & Wales. The consolidated accounts are available to the public and may be obtained from the secretary, Turnpike Gate House, Alcester Heath, Alcester, England, B49 5JG.