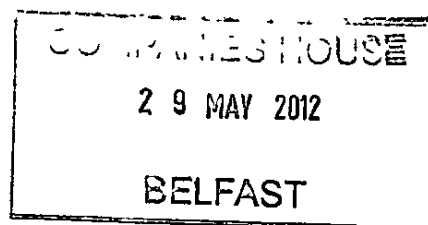


REGISTERED NUMBER: 04117111 (England and Wales)

**Report of the Directors and  
Financial Statements  
for the year ended 31 August 2011  
for  
Happen Fostercare Limited**



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**Happen Fostercare Limited (Registered number: 04117111)**

**Contents of the Financial Statements  
for the year ended 31 August 2011**

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	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>4</b>
<b>Profit and Loss Account</b>	<b>6</b>
<b>Balance Sheet</b>	<b>7</b>
<b>Notes to the Financial Statements</b>	<b>8</b>

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**Happen Fostercare Limited**  
**Company Information**  
**for the year ended 31 August 2011**

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<b>DIRECTORS:</b>	S R Page M A Croghan D W Johnson
<b>SECRETARY:</b>	D W Johnson
<b>REGISTERED OFFICE:</b>	1 Merchant's Place River Street Bolton Lancashire BL2 1BX
<b>REGISTERED NUMBER:</b>	04117111 (England and Wales)
<b>AUDITORS:</b>	Ernst & Young LLP Bedford House 16 Bedford Street Belfast BT2 7DT
<b>BANKERS:</b>	Barclays Bank PLC 1 Churchill Place London E14 5HP
<b>SOLICITORS:</b>	SNR Denton The Pinnacle 170 Midsummer Boulevard Milton Keynes MK9 1FE

**Report of the Directors  
for the year ended 31 August 2011**

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The directors present their report with the financial statements of the company for the year ended 31 August 2011

**PRINCIPAL ACTIVITIES**

The company is an independent fostering agency which provides care for children with special needs through a network of carers in the south of the UK. The company is a business that is part of the Acom Care Limited Group. The Group provides a choice of education and care for children with special needs, 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. We aim to provide high quality care and education, to focus on the outcomes for each individual young person, to encourage success in all aspects of our work, to develop the individual character of each school and care provider within a supportive network and to provide equality of opportunity.

During the year the business sold their trade and assets to Fostering Solutions Limited, the profit on disposal in the profit and loss account represents this balance.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 September 2010 to the date of this report.

S R Page  
M A Croghan  
D W Johnson

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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,
- 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Ernst & Young LLP, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.


**Happen Fostercare Limited (Registered number: 04117111)**

**Report of the Directors  
for the year ended 31 August 2011**

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This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

**ON BEHALF OF THE BOARD:**

  
M A Croghan - Director

Date 27/3/2012

## **Report of the Independent Auditors to the Members of Happen Fostercare Limited**

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We have audited the financial statements of Happen Fostercare Limited for the year ended 31 August 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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 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 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 2011 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

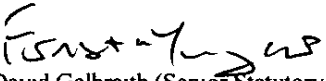
**Report of the Independent Auditors to the Members of  
Happen Fostercare Limited**

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**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
- 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 in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors

  
David Galbraith (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP  
Bedford House  
16 Bedford Street  
Belfast  
BT2 7DT

Date 28 Aug 2012

**Happen Fostercare Limited (Registered number: 04117111)**

**Profit and Loss Account  
for the year ended 31 August 2011**

	Notes	2011 £	2010 £
<b>TURNOVER</b>	2	<b>537,686</b>	<b>1,463,454</b>
Cost of sales		<u>403,735</u>	<u>795,135</u>
<b>GROSS PROFIT</b>		<b>133,951</b>	<b>668,319</b>
Administrative expenses		<u>96,315</u>	<u>565,903</u>
<b>OPERATING PROFIT</b>	3	<b>37,636</b>	<b>102,416</b>
Profit on disposal of trade and assets		<u>623,493</u>	<u>-</u>
		<b>661,129</b>	<b>102,416</b>
Interest receivable and similar income		<u>3</u>	<u>26</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>661,132</b>	<b>102,442</b>
Tax on profit on ordinary activities	4	<u>10,894</u>	<u>27,322</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>650,238</u></b>	<b><u>75,120</u></b>

The notes form part of these financial statements



Happen Fostercare Limited (Registered number: 04117111)


**Balance Sheet**  
**31 August 2011**

	Notes	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible assets	5	-	2,775
<b>CURRENT ASSETS</b>			
Debtors	6	1,257,917	625,868
Cash at bank		42,319	74,425
		<u>1,300,236</u>	<u>700,293</u>
<b>CREDITORS</b>			
Amounts falling due within one year	7	431,716	484,786
<b>NET CURRENT ASSETS</b>		<u>868,520</u>	<u>215,507</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>868,520</u>	<u>218,282</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	2	2
Profit and loss account	10	868,518	218,280
<b>SHAREHOLDERS' FUNDS</b>		<u>868,520</u>	<u>218,282</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on 27 March 2012 and were signed on its behalf by

Director



The notes form part of these financial statements

**Notes to the Financial Statements  
for the year ended 31 August 2011**

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**1 ACCOUNTING POLICIES**

**Basis of preparation of financial statements**

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

**Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

**Revenue recognition**

Revenue is recognized to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts or rebates

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life

Furniture, fittings and equip	- 25% on cost
Computer equipment	- 33% on cost

**Deferred tax**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

**2 TURNOVER**

The turnover shown in the profit and loss account represents 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

All turnover arose within the United Kingdom



**Happen Fostercare Limited (Registered number: 04117111)**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2011**

**3 OPERATING PROFIT**

The operating profit is stated after charging

	2011 £	2010 £
Depreciation - owned assets	1,116	2,828
Auditors' fee (exclusive of VAT)	4,988	4,750
Pension costs	<u>1,326</u>	<u>3,253</u>
Directors' remuneration and other benefits etc	<u>-</u>	<u>-</u>

**4 TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	2011 £	2010 £
Current tax		
UK corporation tax	-	29,295
Corp tax prior periods	265	(809)
Corp tax group relief	<u>9,601</u>	<u>-</u>
Total current tax	<u>9,866</u>	<u>28,486</u>
Deferred tax		
Deferred tax	1,236	(573)
Deferred tax prior periods	<u>(208)</u>	<u>(591)</u>
Total deferred tax	<u>1,028</u>	<u>(1,164)</u>
Tax on profit on ordinary activities	<u>10,894</u>	<u>27,322</u>

**Happen Fostercare Limited (Registered number: 04117111)**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2011**

**5 TANGIBLE FIXED ASSETS**

	<b>Plant and machinery etc £</b>
<b>COST</b>	
At 1 September 2010	<b>31,676</b>
Reclassification/transfer	<b>(31,676)</b>
At 31 August 2011	<b>-</b>
<b>DEPRECIATION</b>	
At 1 September 2010	<b>28,901</b>
Charge for year	<b>1,116</b>
Reclassification/transfer	<b>(30,017)</b>
At 31 August 2011	<b>-</b>
<b>NET BOOK VALUE</b>	
At 31 August 2011	<b>-</b>
At 31 August 2010	<b>2,775</b>

**6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2011 £</b>	<b>2010 £</b>
Trade debtors	-	191,197
Amounts owed by group undertakings	<b>1,257,917</b>	420,883
Other debtors	-	12,760
Deferred tax asset	-	1,028
	<b>1,257,917</b>	<b>625,868</b>

**7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2011 £</b>	<b>2010 £</b>
Trade creditors	-	11,524
Amounts owed to group undertakings	<b>421,531</b>	310,485
Tax	-	29,295
Other creditors	-	133,482
Accruals and deferred income	<b>10,185</b>	-
	<b>431,716</b>	<b>484,786</b>

**8 DEFERRED TAX**

	<b>£</b>
Balance at 1 September 2010	<b>(1,028)</b>
Accelerated capital allowances	<b>272</b>
Short term timing differences	<b>756</b>
Balance at 31 August 2011	<b>-</b>

**Happen Fostercare Limited (Registered number: 04117111)**

**Notes to the Financial Statements - continued  
for the year ended 31 August 2011**

**9 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number	Class	Nominal value	2011 £	2010 £
2	Ordinary Shares	1	<u>2</u>	<u>2</u>

**10 RESERVES**

	Profit and loss account £
At 1 September 2010	218,280
Profit for the year	<u>650,238</u>
At 31 August 2011	<u>868,518</u>

**11 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 2011 was £99,946,293.

**12 OTHER FINANCIAL COMMITMENTS**

At 31 August 2011 the company had annual commitments under non cancellable operating leases as follows

	2011 £	2010 £
Expiry date		
Within 1 year	-	1,278
Between 2 and 5 years	<u>-</u>	<u>16,384</u>

**13 RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption under FRS8 from disclosing transactions with related parties that are part of the Acorn Care 1 Limited group.

**14 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent company is Fostering Solutions Limited, a company incorporated in England and Wales.

The ultimate parent company 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 statements of Acorn Care 1 Limited are available from the company's registered office, 1 Merchant's Place, River Street, Bolton, BL2 1BX.