

REGISTERED NUMBER: 04117111 (England and Wales)

**Report of the Directors and  
Financial Statements  
for the year ended 31 August 2012  
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 2012**

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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 2012**

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<b>DIRECTORS:</b>	S R Page D W Johnson J L Janet
<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, Statutory Auditor 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 One Fleet Place London EC4M 7WS

**Report of the Directors  
for the year ended 31 August 2012**

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The directors present their report with the financial statements of the company for the year ended 31 August 2012

**PRINCIPAL ACTIVITIES**

The company is an independent fostering agency which provides care for looked after children through a network of carers in the south of the UK. The company is a business that is part of the Acorn Care 1 Limited ("Group"). The Group provides a choice of education and care 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 and looked after children. 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.

In the prior year trade and related assets and liability were transferred to Fostering Solutions Limited, a fellow member of the Acorn Group.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 September 2011 to the date of this report.

S R Page  
D W Johnson

Other changes in directors holding office are as follows:

M A Croghan - resigned 10 August 2012  
J L Janet - appointed 10 August 2012

**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.



Happen FosterCare Limited (Registered number: 04117111)

**Report of the Directors  
for the year ended 31 August 2012**

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**AUDITORS**

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

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:**

Director

  
STEPHEN PAGE

Date

8/2/13



## **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 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 11. 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 set out on page two, 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 Report of the Directors 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 2012 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.

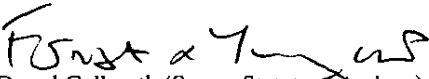
**Report of the Independent Auditors to the Members of  
Happen Fostercare Limited**

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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, Statutory Auditor  
Bedford House  
16 Bedford Street  
Belfast  
BT2 7DT

Date

8/2/13

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

**Profit and Loss Account  
for the year ended 31 August 2012**

	Notes	2012 £	2011 £
<b>TURNOVER</b>	2	-	537,686
Cost of sales		-	403,735
<b>GROSS PROFIT</b>		-	133,951
Administrative expenses		-	96,315
<b>OPERATING PROFIT</b>	3	-	37,636
Profit on disposal of trade and assets		-	623,493
		-	661,129
Interest receivable and similar income		-	3
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	661,132
Tax on profit on ordinary activities	4	-	10,894
<b>PROFIT FOR THE FINANCIAL YEAR</b>		-	650,238

**DISCONTINUED OPERATIONS**

The company's trade was disposed of in the previous financial year to its parent company, Fostering Solutions Limited

The notes form part of these financial statements

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

**Balance Sheet  
31 August 2012**

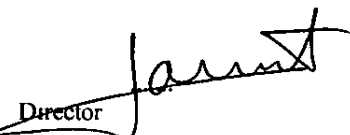
	Notes	2012 £	2011 £
<b>CURRENT ASSETS</b>			
Debtors	5	1,368,026	1,257,917
Cash at bank		-	42,319
		<u>1,368,026</u>	<u>1,300,236</u>
<b>CREDITORS</b>			
Amounts falling due within one year	6	421,531	431,716
		<u>946,495</u>	<u>868,520</u>
<b>NET CURRENT ASSETS</b>			
		<u>946,495</u>	<u>868,520</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>946,495</u>	<u>868,520</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	2	2
Profit and loss account	8	946,493	868,518
		<u>946,495</u>	<u>868,520</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>946,495</u>	<u>868,520</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 its behalf by

8/2/13

and were signed on

Director   
JEAN-LUC JANET

The notes form part of these financial statements

**Notes to the Financial Statements  
for the year ended 31 August 2012**

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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 recognised on the provision of care for looked after children. Revenue is measured at the fair value of the consideration received, excluding discounts or rebates.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

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**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**Operating Leases**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review.

Notes to the Financial Statements - continued  
for the year ended 31 August 2012

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1 ACCOUNTING POLICIES - continued

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

The Company makes pension contributions to employees' private pension plans. Contributions are charged to the profit and loss account as they become payable.

2 TURNOVER

The turnover shown in the profit and loss account represents services provided during the previous 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.

3 OPERATING PROFIT

The operating profit is stated after charging

	2012	2011
	£	£
Depreciation - owned assets	-	1,116
Auditors' fee (exclusive of VAT)	-	4,988
Pension costs	-	1,326
	<u>          </u>	<u>          </u>
Directors' remuneration and other benefits etc	-	-
	<u>          </u>	<u>          </u>

Audit fees of £5,000 in respect of the current year were met by another group company, Fostering Solutions Limited.

The company is exempt from giving the disclosures of non-audit remuneration which would otherwise be required by regulation 5(1)(b) of The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 ("the Regulations") as it is included in the group financial statements of its parent, Acorn Care 1 Limited, which are required to comply with regulation 6(1) of the Regulations.

Notes to the Financial Statements - continued  
for the year ended 31 August 2012

4 TAXATION

Analysis of the tax charge

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

	2012 £	2011 £
Current tax		
Corp tax prior periods	-	265
Corp tax group relief	-	9,601
Total current tax	-	9,866
Deferred tax		
Deferred tax	-	1,236
Deferred tax prior periods	-	(208)
Total deferred tax	-	1,028
Tax on profit on ordinary activities	-	10,894

5 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Amounts owed by group undertakings	1,368,026	1,257,917

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Amounts owed to group undertakings	421,531	421,531
Accruals and deferred income	-	10,185
	421,531	431,716

7 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2012	2011
Number	Class	Nominal value	£	£
2	Ordinary Shares	1	2	2

Notes to the Financial Statements - continued  
for the year ended 31 August 2012

8 RESERVES

	Profit and loss account £
At 1 September 2011	868,518
Profit for the year	-
Capital contribution	77,975
At 31 August 2012	<u>946,493</u>

9 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 2012 was £94,709,385 (2011: £99,946,293).

10 RELATED PARTY DISCLOSURES

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 2012 are as follows,

	Value of Transaction	Balance at Year end
Parent company	70,947	1,008,716
Other group undertaking	-	(62,221)

11 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is Happen Holdings 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.