INHOCO 2993 LIMITED

Report and Financial Statements

Year ended 31 December 2011

Company Registration No 4934338

REPORT AND FINANCIAL STATEMENTS 2011

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

N Walters
R Hall
P Richardson

SECRETARY

N Walters

REGISTERED OFFICE

Leeds House
11a Yorkshire Street
Rochdale
Lancashire
OL16 1BH

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2011

ACTIVITIES

The principal activity of the company is that of a holding company for Green Corns Limited The principal activity of the group is the provision of childcare and crisis intervention

BUSINESS REVIEW

The company considers its principal risks to be the financial performance of its subsidiary company and its ability to pay dividends This risk is managed by a consistent management team throughout the group The subsidiary company considers its principal risks to be uncertainty regarding levels of residential occupancy which could have a material impact on the results of the company The directors are satisfied that the subsidiary company manage these risks appropriately

DIVIDENDS AND TRANSFERS FROM RESERVES

The results of the company for the year ended 31 December 2011 are set out on page 5 No dividend can be declared (2010 £nil) The retained loss of £5,000 (2010 £35,000) has been deducted from reserves (2010 same)

GOING CONCERN

The directors wish to draw attention to note 1 regarding the basis of preparation of the financial statements

DIRECTORS

The directors set out below held office during the whole of the year and to the date of this report

N Walters
R Hall
P Richardson

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

DIRECTORS' REPORT (continued)

AUDITOR

Each of the directors at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he 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 auditor is aware of that information

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

Deloitte LLP has expressed their willingness to remain in office and a resolution to reappoint them will be proposed at the general meeting

Approved by the Board of Directors on 19TH March 2012

And signed on their behalf

P Richardson
Director
Leeds House
11A Yorkshire Street
Rochdale
Lancashire
OL16 1BH

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INHOCO 2993 LIMITED

We have audited the financial statements of Inhoco 2993 Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 13 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 auditor

As explained more fully in the Directors' Responsibilities Statement on page 2, 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 nonfinancial information in the annual report 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 December 2011 and of its loss for the year 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 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

- 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

Anthony Farnworth BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

20 March 2012

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2011

	Note	2011 £'000	2010 £'000
Administrative expenses		(5)	(35)
OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(5)	(35)
Tax on loss on ordinary activities	3	-	-
LOSS FOR THE FINANCIAL YEAR	9,10	(5)	(35)

All activities relate to continuing operations

Other than the loss for the current and preceding year, as shown above, there were no other recognised gains or losses and as a result a separate statement of total recognised gains and losses has not been presented

BALANCE SHEET
As at 31 December 2011

	Note		2011		2010
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	4		**3,997**		3,997
Tangible fixed assets	5		**228**		233
			4,225		4,230
CURRENT ASSETS					
Cash at bank and in hand		**2**		2	
CREDITORS: amounts falling due within one year	6	**(6,251)**		(6,251)	
NET CURRENT LIABILITIES			**(6,249)**		(6,249)
NET LIABILITIES			**(2,024)**		(2,019)
CAPITAL AND RESERVES					
Called up share capital	8		**230**		230
Share premium account	9		**8,844**		8,844
Capital redemption reserve	9		**83**		83
Profit and loss account	9		**(11,181)**		(11,176)
SHAREHOLDER'S DEFICIT	10		**(2,024)**		(2,019)

The financial statements of Inhoco 2993 Limited (registered number 4934338) were approved by the Board of Directors and authorised for issue on 19TH March 2012 They were signed on its behalf by

P Richardson

Director

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2011

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable law and United Kingdom accounting standards The particular accounting policies adopted are described below These have been applied consistently in the current year and prior year

Basis of accounting

The financial statements have been prepared under the historical cost convention

The company is included in the consolidated financial statements of its ultimate parent Continuum Care and Education Group Limited which include a consolidated cash flow It has therefore taken advantage of the exemption from preparing a cash flow statement and from preparing consolidated financial statements

Going concern

The company is dependent upon support from its ultimate parent The directors have obtained a letter of support from the directors of Continuum Care and Education Group Limited, stating that it will provide the company with the necessary funding to ensure that the company has adequate resources to meet its liabilities as they fall due in the 12 months from the date of signing the financial statements However, whilst the directors believe that such support would be available if required, there is no certainty that the provision of such support could be legally enforced

After considering the above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future For these reasons, they continue to adopt the going concern basis in preparing the annual financial statements

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation or any provision for impairment Depreciation is provided to write down the cost of the assets over their estimated useful lives The rates of depreciation are as follows

Freehold property	2% per annum straight line
Fixtures and fittings	25% per annum reducing balance

Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains or losses in tax assessments in years different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax assets and liabilities have not been discounted

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2011

1. ACCOUNTING POLICIES (continued)

Investments

Investments held as fixed assets are stated at cost less provision for any impairment

2. OPERATING LOSS AND LOSS ON ORINARY ACTIVITIES BEFORE TAXATION

Operating loss and loss on ordinary activities before taxation is stated after charging:

	2011	2010
	£'000	£'000
Depreciation	**5**	9
Loss on disposal of fixed assets	**-**	26

Audit fees have been borne by the parent company but would be allocated at a total £1,000 for the individual audit (2010 £1,000)

There were no employees and no directors who received remuneration through this company in either the current or previous year

3 TAX ON LOSS ON ORDINARY ACTIVITIES

No taxation arises on the loss for the year (2010 £nil)

The standard rate of current tax for the year is 26 5% (2010 28%) The actual tax charge for the year is higher than that which would have arisen by applying the standard rate of corporation tax The reasons are as follows

	2011	2010
	£'000	£'000
Loss before taxation	**(5)**	(35)
Tax at 26 5% (2010 28%)	**(1)**	(10)
Expenses not deductible for tax	**1**	(4)
Increase in losses carried forward	**-**	14
Current tax charge for the year	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2011

4. INVESTMENTS

	Shares in subsidiaries £'000
Cost	
At 1 January 2011 and 31 December 2011	17,795
Provision for impairment	
At 1 January 2011 and 31 December 2011	13,798
Net book value	
At 31 December 2011	**3,997**
At 31 December 2010	3,997

The company holds shares in the following company

Subsidiary undertakings	Main trading activities	Country of incorporation	Class of shares held	Shares held
Green Corns Limited	Provision of childcare	England	Ordinary	100%

5 TANGIBLE FIXED ASSETS

	Freehold properties £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 January 2011 and 31 December 2011	262	4	266
Accumulated depreciation			
At 1 January 2011	30	3	33
Charge for the year	5	-	5
At 31 December 2011	35	3	38
Net book value			
At 31 December 2011	**227**	**1**	**228**
At 31 December 2010	232	1	233

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Amounts owed to group companies	**6,251**	6,251

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2011

7. DEFERRED TAXATION

A deferred tax asset of £1,564,000 (2010 £1,689,000) in respect of the losses carried forward has not been recognised in the company as an asset due to uncertainty regarding its future recoverability

8. CALLED UP SHARE CAPITAL

	2011 £'000	2010 £'000
Issued, called-up and fully paid		
166,395 Ordinary shares of £1 each	**166**	166
640,595 'A' ordinary shares of £0 10 each	**64**	64
	230	230

The rights of the 'A' ordinary shareholders are as follows

- One vote per share,
- On a winding up any unpaid dividends together with the paid up amount of the 'A' ordinary share capital shall be returned, and
- To receive a Compensatory Dividend if the emoluments of the directors exceeds a certain amount in one year This would be calculated as a dividend per share on the excess of the emoluments over a set amount in the company's articles If there are any surplus profits which the directors decide to distribute (having taken account of any Compensatory Dividend) these shall be distributed equally amongst all shareholders

9. RESERVES

	Capital redemption reserve £'000	Share premium account £'000	Profit and loss account £'000
At 1 January 2011	83	8,844	(11,176)
Loss for the financial year	-	-	(5)
At 31 December 2011	83	8,844	(11,181)

10. RECONCILIATION OF SHAREHOLDER'S DEFICIT

	2011 £'000	2010 £'000
Loss for the financial year	**(5)**	(35)
Opening shareholder's deficit	**(2,019)**	(1,984)
Closing shareholder's deficit	**(2,024)**	(2,019)

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2011

11. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption allowed by Financial Reporting Standard No 8 not to disclose transactions with and balances between other group undertakings that are wholly owned

12. CONTROLLING PARTY

The immediate and ultimate parent company is Continuum Care and Education Group Limited, a company incorporated in the United Kingdom Copies of the financial statements are available from Companies House, Maindy, Cardiff This is the smallest and largest company for which consolidated financial statements are prepared

The shareholders and ultimate controlling parties of the group are 3i Group PLC, 3i Pan European Buy-outs 2004-06 LP, 3i UK Private Equity 2004-06LP, 3i parallel Ventures LP, 3i Europartner IVa LP, 3i Europartner IVb LP, 3i Europartner IVc LP, 3i Europartner IVd LP and 3i Europartner IVk LP

13. CONTINGENT LIABILITIES

The company's assets and those of other companies within the group headed up by Continuum Care and Education Group Limited, form security on total bank borrowings within the group As at 31 December 2011 these amounted to £9,320,000 (2010 £10,290,000)