

**Action for Children Services Limited**

**Company Registration Number: 2332388**

**Report and financial statements**

**for the year ended 31 March 2008**



## **Action for Children Services Limited**

### **Officers and professional advisers**

Directors	C Tickell M Dillon S Bass
Secretary	M Keane
Registered Office	85 Highbury Park London N5 1UD
Auditors	Grant Thornton UK LLP Grant Thornton House Melton Street London NW1 2EP
Bankers	HSBC 8 Victoria Street Westminster London SW1H 0NJ

# **Action for Children Services Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 March 2008

### **1 Activities**

The company is a wholly owned trading subsidiary of Action for Children, a registered charity. On 11 September 2008, Action for Children changed its name from NCH. During the year under review the activities undertaken by the company were the provision of welfare and educational services to local authorities, and other statutory bodies.

### **2 Business review**

On 11 September 2008, NCH Children's Services Limited changed its name to Action for Children Services Limited. Despite some difficulties and uncertainties in the external environment, the company has continued to retain the majority of existing services and maintain the growth of previous years. The turnover is mainly from income from local authority social services. The full amount of profits is paid over to Action for Children, the parent charity, in line with Customs and Revenue gift aid arrangements.

### **3 Principal risks and uncertainties**

In relation to the company's market place, local authorities are currently undergoing significant changes following the passing of The Children Act 2004. Its provisions include the establishment of new commissioning arrangements throughout England and similar changes apply to Scotland, Wales and Northern Ireland.

In light of these significant market changes, Action for Children and the company have undertaken a fundamental strategic review, commissioned external market research and ensured its risk assessments have been managed adequately.

The strategic review looks to ensure Action for Children remains competitive and continues to be viewed as preferred provider of services to the statutory public sector. Further efficiencies, savings and investment are under consideration.

### **4 Results and Future Developments**

The company made a profit of £4,383,000 (2007 £4,020,000) in the year which was transferred to Action for Children under gift aid. The directors anticipate that the level of income and profit before gift aid payment will remain at a similar level in the coming year.

### **5 Directors**

C Tickell

M Dillon

S Bass (from 26 August 2008)

S Hodges (until 31 July 2007)

No director had any interest in the shares of the company.

## **6 Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the directors to prepare financial statements for each financial year which 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 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

The directors are responsible for keeping proper accounting records which 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 1985. 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

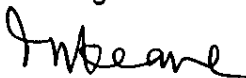
## **6 Secretary**

M Keane

## **7 Auditors**

Grant Thornton UK LLP have indicated their willingness to continue in office in accordance with the provisions of the Companies Act 1985. A resolution to reappoint them as auditors will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors  
and signed on behalf of the Board



M Keane  
Secretary

18 September 2008

## **Action for Children Services Limited**

### **Independent auditors' report to the members of Action for Children Services Limited**

We have audited the financial statements of Action for Children Services Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the directors' report is consistent with the financial statements. We also report if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

## **Action for Children Services Limited**

### **Independent auditors' report to the members of Action for Children Services Limited (continued)**

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements for the year ended 31 March 2008.

*Grant Thornton UK LLP*

Grant Thornton UK LLP  
Chartered Accountants and Registered Auditors  
London

*22 September* 2008

## Action for Children Services Limited

### Profit and loss account

For the year ended 31 March 2008

	Note	2008 £'000	2007 £'000
Turnover	1(a)	52,196	50,984
Cost of sales		<u>(47,926)</u>	<u>(47,094)</u>
Gross profit		<b>4,270</b>	<b>3,890</b>
Operating expenses		<u>(8)</u>	<u>(6)</u>
Profit on ordinary activities before interest, gift aid and tax		4,262	3,884
Investment income		<u>121</u>	<u>136</u>
Profit on ordinary activities before gift aid and tax		<b>4,383</b>	<b>4,020</b>
Gift aid	4	<u>(4,383)</u>	<u>(4,020)</u>
Result on ordinary activities before taxation	3	-	-
Tax on result on ordinary activities	4	-	-
Result on ordinary activities after taxation		<u>-</u>	<u>-</u>

All income and expenditure derives from continuing operations. There are no recognised gains or losses in the current financial year or the preceding financial year other than as shown in the profit and loss account. There are no movements in shareholders' funds in the current financial year or the preceding financial year other than as shown in the profit and loss account.

# Action for Children Services Limited

## Balance sheet as at 31 March 2008

	Note	2008 £'000	2007 £'000
<b>Current assets</b>			
Debtors	5	8,666	8,711
Short term deposits		1,005	950
Cash at bank and in hand		2,804	143
		<u>12,475</u>	<u>9,804</u>
<b>Creditors: amounts falling due within one year</b>			
Bank loans and overdrafts		-	-
Other creditors	6	10,055	5,565
Accruals and deferred income	7	2,420	4,239
		<u>12,475</u>	<u>9,804</u>
<b>Net current assets</b>		<u>-</u>	<u>-</u>
<b>Share capital</b>	8	-	-
<b>Profit and loss account</b>		-	-
<b>Equity shareholders' funds</b>		<u>-</u>	<u>-</u>

Approved by the Board of Directors on 18 September 2008  
Signed on behalf of the Board of Directors

M Dillon

*Morgan M. O'Leary*



## **Action for Children Services Limited**

### **Notes to the accounts for the year ended 31 March 2008**

#### **1 Accounting policies**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below -

(a) **Turnover**

Turnover represents fees received for services provided under contracts and other income exclusive of Value Added Tax. All turnover arises in the UK and is recognised when services are rendered.

(b) **Cash flow statement**

In accordance with FRS1 (Revised) the company has not prepared a statement of cash flow for the current year as it is a wholly owned subsidiary of a charity whose financial statements are publicly available.

(c) **Deferred income**

Deferred income includes amount received in respect of contractual work to be undertaken in the next financial year.

#### **2 Information regarding directors and employees**

No director received any emoluments in respect of services to the company in either period. The company has no direct employees other than the directors.

#### **3 Result on ordinary activities before taxation**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Result on ordinary activities before taxation is after charging		
Auditors' remuneration - audit fees	<u>8</u>	<u>7</u>

#### **4 Tax on result on ordinary activities**

In accordance with the provisions of the Charities Tax review and the instructions issued by the Inland Revenue the full amount of taxable profits are gift aided to the parent charity.

## Action for Children Services Limited

### Notes to the accounts for the year ended 31 March 2008 (continued)

#### 5 Debtors

	2008 £'000	2007 £'000
Amounts due within one year		
Local authority and other government contracts	8,430	5,669
Accrued income	223	519
Amounts owed by Action for Children Trading Limited	13	45
Amounts owed by Action for Children	-	2,478
	<u>8,666</u>	<u>8,711</u>

#### 6 Other creditors

	2008 £'000	2007 £'000
Amounts due within one year		
Taxation and social security	1,413	1,007
Other creditors	5,158	4,558
Amounts owed to Action for Children	3,484	-
	<u>10,055</u>	<u>5,565</u>

#### 7 Accruals and deferred income

	2008 £'000	2007 £'000
Amounts due within one year		
Accruals	7	6
Deferred income	2,413	4,233
	<u>2,420</u>	<u>4,239</u>

#### 8 Called up share capital

	2008 £	2007 £
Authorised, called up, allotted and fully paid 100 ordinary shares of £1	<u>100</u>	<u>100</u>

#### 9 Ultimate parent undertaking

The ultimate parent and controlling party is Action for Children, a charity registered in England and Wales, registration number 1097940, and Scotland, registration number SC038092. Action for Children is the smallest and largest group for which consolidated accounts are prepared. Copies of the group financial statements can be obtained from Action for Children, 85 Highbury Park, London, N5 1UD.

#### 10 Related party transactions

The company has taken advantage of the exemption which is conferred by Financial Reporting Standard No 8, "Related Party Disclosures" that allows it not to disclose transactions with group undertakings.