

Heath Farm Limited

258 2284

Heath Farm Limited

Abbreviated accounts

For the year ended 31 August 2007

TUESDAY



AC2M73DX

A26

23/09/2008

311

COMPANIES HOUSE

Heath Farm Limited

Independent Auditors' report to Heath Farm Limited
Under section 247B of the Companies Act 1985

We have examined the company's abbreviated accounts for the year ended 31 August 2007 which comprise the Balance Sheet and the related notes 1 to 5, which have been prepared in accordance with applicable United Kingdom law, together with the company's financial statements for the year ended 31 August 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company pursuant to section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state in an auditors' 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, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and 246(6) of the Companies Act 1985 and the abbreviated accounts have been properly prepared in accordance with those provisions.


Ernst & Young LLP

Registered Auditor

Bedford House
16 Bedford Street
Belfast
BT2 7DT

Date

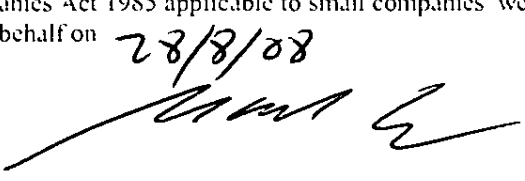
1 September 2008

Heath Farm Limited

**Abbreviated balance sheet
as at 31 August 2007**

	Note	2007 £	2006 £
Fixed assets			
Tangible fixed assets	2	2,359 154	2 416 867
Fixed asset investments	3	1	-
		<u>2,359,155</u>	<u>2,416,867</u>
Current assets			
Debtors		653,348	56,286
Cash at bank		33 577	5,346
		<u>686,925</u>	<u>61 632</u>
Creditors amounts falling due within one year		<u>(1 616 307)</u>	<u>(1,281 399)</u>
Net current liabilities		<u>(929,382)</u>	<u>(1,219,767)</u>
Total assets less current liabilities		<u>1 429 773</u>	<u>1,197 100</u>
Capital and Reserves			
Called up share capital	4	40,000	40,000
Revaluation reserve		1 136 435	1 160,734
Profit and loss account		253 338	(3 634)
Shareholders' funds		<u>1,429 773</u>	<u>1,197 100</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies were approved and authorised for issue by the board and were signed on its behalf on

28/8/08

Director

The notes on pages 3 to 5 form part of these financial statements

Notes to the abbreviated accounts

For the year ended 31 August 2007

1 Accounting policies

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The parent company has indicated its willingness to continue to support the company and in particular not to recall the total amounts advanced to the company which at the balance sheet date amounted to £1,556,766. Accordingly, the directors believe it is appropriate to prepare the financial statements on the going concern basis.

1.2 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.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2%	straight line
Motor vehicles	-	25%	straight line
Fixtures & fittings	-	25%	straight line

1.4 Revaluation of tangible fixed assets

As permitted by the transitional provisions of the Financial Reporting Standard for Smaller Entities (effective January 2007), the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings previously revalued at 10 March 2006 and will not update that valuation.

1.5 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.6 Leasing and hire purchase

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.

Notes to the abbreviated accounts
For the year ended 31 August 2007

1 Accounting policies (continued)

1.7 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

2 Tangible fixed assets

	<i>£</i>
Cost or valuation	
At 1 September 2006	2 581,422
Additions	7,200
	<hr/>
At 31 August 2007	2 588,622
	<hr/>
Depreciation	
At 1 September 2006	164,555
Charge for the year	64,913
	<hr/>
At 31 August 2007	229,468
	<hr/>
Net book value	
At 31 August 2007	2 359 154
	<hr/>
At 31 August 2006	2,416 867
	<hr/>

3 Fixed asset investments

	<i>£</i>
Cost or valuation	
Additions	1
	<hr/>
At 31 August 2007	1
	<hr/>

Investment in fellow Group undertaking

The following was a fellow Group undertaking of the company

Heath Farm Family Services Limited

Notes to the abbreviated accounts
For the year ended 31 August 2007

4 Share capital

	2007	2006
	£	£
<i>Authorised, allotted, called up and fully paid</i>		
40 000 Ordinary Shares shares of £1 each	40,000	40,000

5 Related party transactions

The company has taken advantage of the exemption in FRS8 from disclosing transactions with related parties that are part of the Acorn Care and Education Limited group