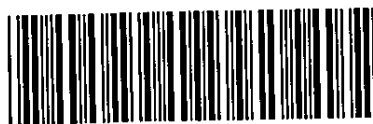


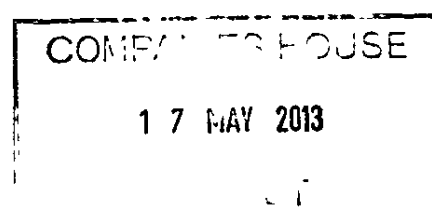
**REGISTERED NUMBER: 02582284 (England and Wales)**

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

FRIDAY



JNI \*J28JOLUJ\* #12  
17/05/2013  
COMPANIES HOUSE



**Heath Farm Limited (Registered number: 02582284)**

**Contents of the Financial Statements  
for the year ended 31 August 2012**

---

	<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>

---

**Heath Farm Limited**  
**Company Information**  
**for the year ended 31 August 2012**

---

<b>DIRECTORS:</b>	S R Page D W Johnson J L Janet M Robinson
<b>SECRETARY:</b>	W N Fenning
<b>REGISTERED OFFICE:</b>	1 Merchant's Place River Street Bolton Lancashire BL2 1BX
<b>REGISTERED NUMBER:</b>	02582284 (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

**Heath Farm Limited (Registered number 02582284)**

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

---

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

**PRINCIPAL ACTIVITIES**

The company provides maintenance, transport and location support services to Heath Farm Family Services Limited's foster care and education business. Heath Farm Family Services Limited provides education and care for children and young people with special education needs through day school and care facilities serving local education authorities. 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, 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 work, to develop the individual character of each school and care provider within a supportive network and to provide equality of opportunity.

**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

M Robinson was appointed as a director after 31 August 2012 but prior to the date of this report.

**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.

Heath Farm Limited (Registered number: 02582284)

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

---

**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

*S. Page*  
**STEPHEN PAGE**

Date

*8/2/13*

## **Report of the Independent Auditors to the Members of Heath Farm Limited**

---

We have audited the financial statements of Heath Farm Limited for the year ended 31 August 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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.

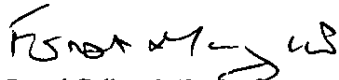
**Report of the Independent Auditors to the Members of  
Heath Farm Limited**

---

**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

**Heath Farm Limited (Registered number: 02582284)**

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

	Notes	2012 £	2011 £
<b>TURNOVER</b>	2	<b>349,531</b>	349,556
Administrative expenses		<u>265,138</u>	<u>222,724</u>
		<b>84,393</b>	126,832
Other operating income	3	<u>100,000</u>	<u>100,000</u>
<b>OPERATING PROFIT</b>	4	<b>184,393</b>	226,832
Interest receivable and similar income		<u>-</u>	<u>3</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>184,393</b>	226,835
Tax on profit on ordinary activities	5	<u>74,307</u>	<u>(35,612)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><b>110,086</b></u>	<u><b>262,447</b></u>

The notes form part of these financial statements



Heath Farm Limited (Registered number: 02582284)

Balance Sheet  
31 August 2012

	Notes	2012 £	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	6	3,559,464	3,631,642
Investments	7	1	1
		<u>3,559,465</u>	<u>3,631,643</u>
<b>CURRENT ASSETS</b>			
Debtors	8	1,747,443	1,375,375
Cash at bank		24,985	24,768
		<u>1,772,428</u>	<u>1,400,143</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	3,363,425	3,173,404
<b>NET CURRENT LIABILITIES</b>		<u>(1,590,997)</u>	<u>(1,773,261)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,968,468</u>	<u>1,858,382</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	40,000	40,000
Revaluation reserve	12	1,039,239	1,063,538
Profit and loss account	12	889,229	754,844
<b>SHAREHOLDERS' FUNDS</b>		<u>1,968,468</u>	<u>1,858,382</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

---

1 ACCOUNTING POLICIES

**Basis of preparation of financial statements**

The financial statements 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 April 2008)

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

**Cashflow**

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 education and care for children and young adults. 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:

Freehold property	- 2% on cost
Fixtures and fittings	- 15% - 25% straight line
Motor vehicles	- 25% on cost

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.

Freehold properties are held at the revalued amount since acquisition by the Acorn Group and depreciated based on the revalued amount.

**Investments**

The carrying value of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

**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.

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

1 ACCOUNTING POLICIES - continued

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

The Company makes pension contributions in respect of certain eligible teaching staff to the Teachers Pension Agency which is a "Multi-Employer" pension scheme. Based on consultations the directors are unable to identify the Company's share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Consequently the Company treats the scheme as a defined contribution scheme with contributions charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**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.

**Preparation of consolidated financial statements**

Heath Farm Limited is a wholly owned subsidiary of Acorn Care 1 Limited (incorporated in the United Kingdom). As Acorn Care 1 Limited prepare consolidated financial statements which include the company, the company is exempt under Section 400 of the Companies Act 2006 and FRS 2 from the requirement to prepare and deliver consolidated financial statements. As a result the financial statements present information about the company as an individual undertaking and not about its group.

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, being the provision of maintenance transport and location services to Heath Farm Family Services Limited.

All turnover arose within the United Kingdom.

3 OTHER OPERATING INCOME

	2012	2011
	£	£
Operating lease rentals	100,000	100,000

4 OPERATING PROFIT

The operating profit is stated after charging

	2012	2011
	£	£
Depreciation - owned assets	103,999	80,244
Auditors' fees (exclusive of VAT)	3,490	2,625
Pension costs	1,854	1,775
Directors' remuneration and other benefits etc	-	-

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

4 OPERATING PROFIT - continued

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

5 TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows

	2012 £	2011 £
Current tax		
Corp tax prior period	-	(35,453)
Corp tax group relief	-	27,000
Total current tax	-	(8,453)
Deferred tax		
Deferred tax	63,541	64,685
Deferred tax previous period	15	(91,844)
Deferred tax re change in rate	10,751	-
Total deferred tax	74,307	(27,159)
Tax on profit on ordinary activities	74,307	(35,612)

UK corporation tax has been charged at 25 16% (2011 - 27%)

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

6 TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>				
At 1 September 2011	3,988,541	86,357	31,562	4,106,460
Additions	32,171	-	-	32,171
Disposals	-	-	(350)	(350)
At 31 August 2012	4,020,712	86,357	31,212	4,138,281
<b>DEPRECIATION</b>				
At 1 September 2011	358,907	84,349	31,562	474,818
Charge for year	103,999	-	-	103,999
At 31 August 2012	462,906	84,349	31,562	578,817
<b>NET BOOK VALUE</b>				
At 31 August 2012	3,557,806	2,008	(350)	3,559,464
At 31 August 2011	3,629,634	2,008	-	3,631,642

Cost or valuation at 31 August 2012 is represented by

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2006	2,450,000	-	-	2,450,000
Cost	1,570,712	86,357	31,212	1,688,281
	4,020,712	86,357	31,212	4,138,281

If land and buildings had not been revalued they would have been included at the following historical cost

	2012 £	2011 £
Cost	1,538,541	1,538,541
Aggregate depreciation	178,102	147,532

Freehold land and buildings were valued on an open market basis on 10 March 2006 by Edward & Co

**Heath Farm Limited (Registered number: 02582284)**

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

**7 FIXED ASSET INVESTMENTS**

	<b>Shares in group undertakings £</b>
<b>COST</b>	
At 1 September 2011 and 31 August 2012	<u>1</u>
<b>NET BOOK VALUE</b>	
At 31 August 2012	<u>1</u>
At 31 August 2011	<u>1</u>

Subsidiary Undertakings

The following were subsidiary undertakings of the company at 31 August 2012

<b>Company name</b>	<b>Country</b>	<b>% Holding</b>	<b>Nature</b>
Heath Farm Family Services Limited	UK	100	Care & education services
Heath Farm Fostering Agency Limited	UK	100	Dormant

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

	<b>2012 £</b>	<b>2011 £</b>
Amounts owed by group undertakings	1,685,993	1,238,998
Other debtors	1,358	1,978
Deferred tax asset	60,092	134,399
	<u>1,747,443</u>	<u>1,375,375</u>

Deferred tax asset

	<b>2012 £</b>	<b>2011 £</b>
Accelerated capital allowances	(28,032)	(34,195)
Tax losses carried forward	88,124	168,594
	<u>60,092</u>	<u>134,399</u>

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

	<b>2012 £</b>	<b>2011 £</b>
Amounts owed to group undertakings	3,358,466	3,166,243
Accrued expenses	4,959	7,161
	<u>3,363,425</u>	<u>3,173,404</u>

**Heath Farm Limited (Registered number: 02582284)**

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

**10 DEFERRED TAX**

	<b>£</b>
Balance at 1 September 2011	<b>(134,399)</b>
Charge to profit and loss account during year	<b>74,307</b>
	<hr/>
Balance at 31 August 2012	<b><u>(60,092)</u></b>

**11 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number	Class	Nominal value	2012 £	2011 £
40,000	Ordinary Shares	1	<b><u>40,000</u></b>	<b><u>40,000</u></b>

**12 RESERVES**

	<b>Profit and loss account £</b>	<b>Revaluation reserve £</b>	<b>Totals £</b>
At 1 September 2011	754,844	1,063,538	1,818,382
Profit for the year	110,086	-	110,086
Realisation of valuation gains of previous periods	24,299	(24,299)	-
	<hr/>	<hr/>	<hr/>
At 31 August 2012	<b><u>889,229</u></b>	<b><u>1,039,239</u></b>	<b><u>1,928,468</u></b>

**13 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)

**14 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,

	<b>Value of Transaction</b>	<b>Balance at Year end</b>
Parent company	(27,142)	(1,797,630)
Other group undertaking	254,630	125,015

**15 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent company is Acorn Care & Education 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