

REGISTERED NUMBER: 04593517 (England and Wales)

**Report of the Directors and
Financial Statements
for the year ended 31 August 2012
for
Advance Foster Care Limited**

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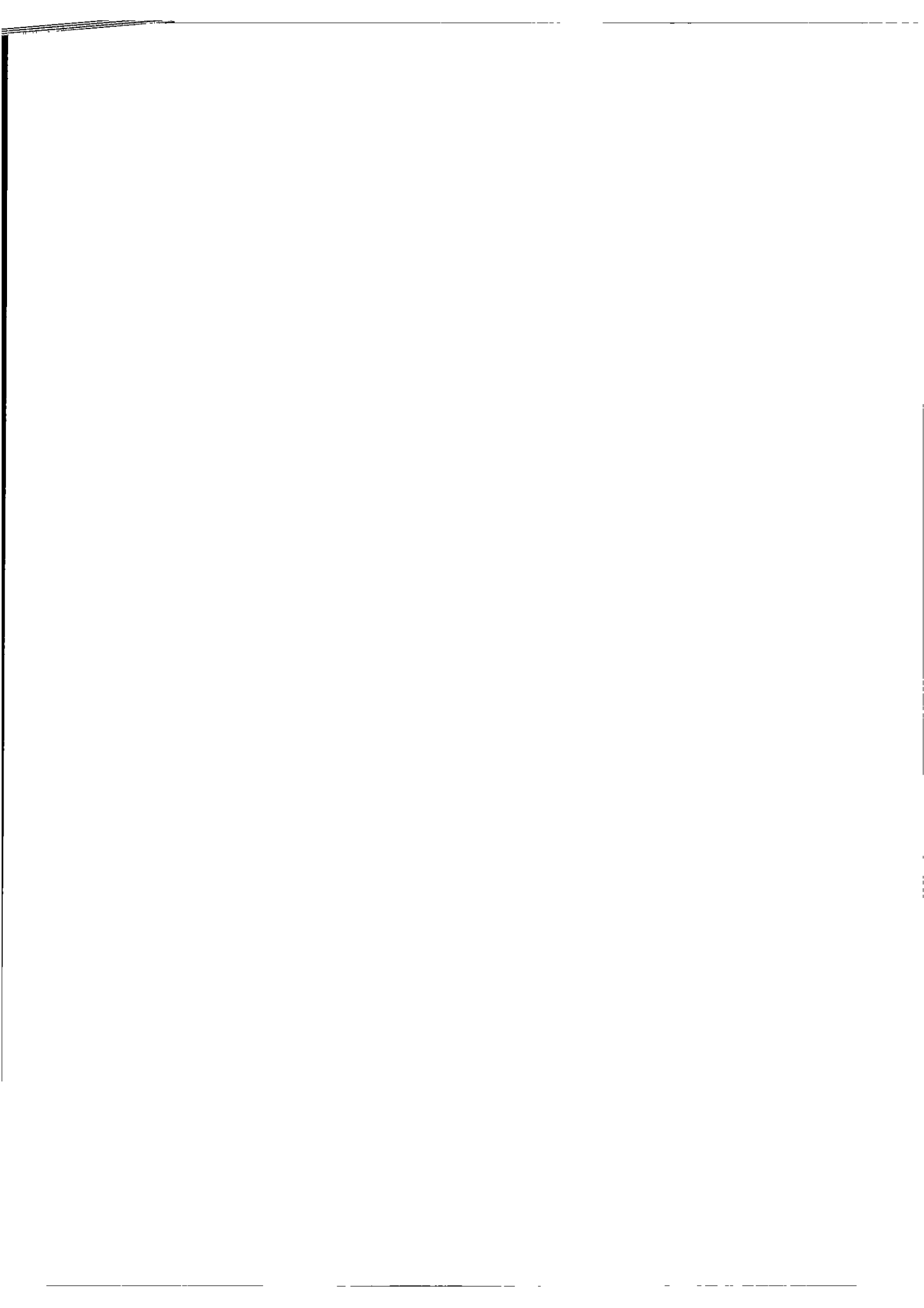
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Advance Foster Care Limited (Registered number: 04593517)

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for the year ended 31 August 2012**

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Advance Foster Care Limited
Company Information
for the year ended 31 August 2012

DIRECTORS: S R Page
D W Johnson
J L Janet

SECRETARY: W N Fenning

REGISTERED OFFICE: 1 Merchant's Place
River Street
Bolton
Lancashire
BL2 1BX

REGISTERED NUMBER: 04593517 (England and Wales)

AUDITORS: Ernst & Young LLP, Statutory Auditor
Bedford House
16 Bedford Street
Belfast
BT2 7DT

BANKERS: Barclays Bank PLC
1 Churchill Place
London
E14 5HP

SOLICITORS: SNR Denton
One Fleet Place
London
EC4M 7WS

**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

In the prior year the company transferred its trade and related assets and liabilities to Fostering Solutions Limited, its immediate parent company

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.

AUDITORS

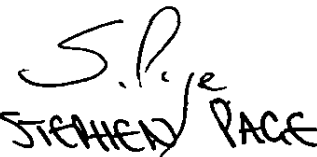
The auditors, Ernst & Young LLP, Statutory Auditor, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006

Advance Foster Care Limited (Registered number: 04593517)

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

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
Advance Foster Care Limited**

We have audited the financial statements of Advance Foster Care 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

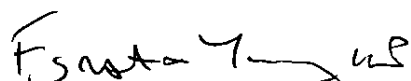
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Advance Foster Care 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

Advance Foster Care Limited (Registered number: 04593517)

Profit and Loss Account
for the year ended 31 August 2012

	Notes	2012 £	2011 £
TURNOVER	2	-	2,123,007
Cost of sales		-	1,516,970
GROSS PROFIT		-	606,037
Administrative expenses		-	457,471
OPERATING PROFIT	3	-	148,566
Profit on disposal of trade and assets		-	2,466,036
		-	2,614,602
Interest receivable and similar income		-	45
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	2,614,647
Tax on profit on ordinary activities	4	-	46,407
PROFIT FOR THE FINANCIAL YEAR		-	2,568,240

DISCONTINUED OPERATIONS

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

The notes form part of these financial statements

Advance Foster Care Limited (Registered number: 04593517)

Balance Sheet
31 August 2012

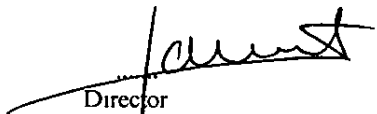
	Notes	2012 £	2011 £
CURRENT ASSETS			
Debtors	5	5,042,495	4,782,166
Cash at bank		-	44,042
		<u>5,042,495</u>	<u>4,826,208</u>
CREDITORS			
Amounts falling due within one year	6	-	197,039
		<u>5,042,495</u>	<u>4,629,169</u>
NET CURRENT ASSETS			
		<u>5,042,495</u>	<u>4,629,169</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>5,042,495</u>	<u>4,629,169</u>
CAPITAL AND RESERVES			
Called up share capital	7	385,482	385,482
Profit and loss account	8	4,657,013	4,243,687
		<u>5,042,495</u>	<u>4,629,169</u>
SHAREHOLDERS' FUNDS			
		<u>5,042,495</u>	<u>4,629,169</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 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

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	- 15% on cost
Computer equipment	- 33% 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

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

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

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

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

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, then the extent of the invoice relating to the unperformed services is carried forward as deferred income.

Turnover is attributable to one class of business, being the provision of care to looked after children.

All turnover arose within the United Kingdom.

3 **OPERATING PROFIT**

The operating profit is stated after charging

	2012 £	2011 £
Depreciation - owned assets	-	3,723
Auditors' fee (exclusive of VAT)	-	7,875
Pension costs	-	9,155
Operating lease rentals	-	18,557
	<u> </u>	<u> </u>
Directors' remuneration and other benefits etc	-	-
	<u> </u>	<u> </u>

Audit fees of £750 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.

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 period	-	1,328
Corp tax group relief	-	32,271
	<u> </u>	<u> </u>
Total current tax	-	33,599
	<u> </u>	<u> </u>
Deferred tax		
Deferred tax	-	14,114
Deferred tax prior period	-	(1,306)
	<u> </u>	<u> </u>
Total deferred tax	-	12,808
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	-	46,407
	<u> </u>	<u> </u>

Advance Foster Care Limited (Registered number: 04593517)

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

5	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2012	2011
		£	£
	Amounts owed by group undertakings	<u>5,042,495</u>	<u>4,782,166</u>

6	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2012	2011
		£	£
	Amounts owed to group undertakings	-	181,480
	Other creditors	-	15,559
		<u>-</u>	<u>197,039</u>

7	CALLED UP SHARE CAPITAL			2012	2011
	Allotted, issued and fully paid			£	£
	Number	Class	Nominal value		
	385,482	Ordinary Shares	1	<u>385,482</u>	<u>385,482</u>

8	RESERVES		Profit and loss account
			£
	At 1 September 2011		4,243,687
	Profit for the year		-
	Capital contribution		413,326
	At 31 August 2012		<u>4,657,013</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	260,259	4,845,039
Other group undertaking	0	197,456

11 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is Fostering Solutions 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