

Jay Fostering Limited

Directors' report and financial statements

Registered number 04822721

Period 1 August 2010 to 31 March 2011

THURSDAY



APHURW74

A35

28/07/2011

123

COMPANIES HOUSE

Contents

Directors' report	1
Independent Auditors' report to the members of Jay Fostering Limited	3
Profit and Loss Account	5
Balance Sheet	6
Notes to the financial statements	7

Directors' report

The directors present their directors' report and audited financial statements of Jay Fostering Limited for the period ended 31 March 2011

Principal Activity

The principal activity of the company is that of recruiting, training and supervising foster carers to offer safe and secure placements for children

Definitions

Throughout this report and the financial statements the term "Company" refers to Jay Fostering Limited and the term "Group" refers to the group of companies headed by NFA Partnerships Limited of which the Company is a subsidiary undertaking

Business review

The entire share capital of the Company was purchased by NFAP Limited on 28 October 2010. The results for the Company for the 8 month period show a pre-tax profit of £466,288 (*12 months ended 31 July 2010 £798,013*) and turnover of £2 829m (*12 months ended 31 July 2010 £4 105m*)

The Company is a subsidiary of the NFA Partnerships Limited Group and is managed as one of the regions within that Group. A detailed business review discussing the objectives and strategy, markets and regulatory issues and risks and uncertainties pertaining to the whole group can be viewed on page 1 of the directors' report of NFA Partnerships Limited, which does not form part of this report.

The principal Key Performance Indicators used in managing the Company are the number of placements and the EBITDA percentage.

The Company has changed its accounting date to 31 March in alignment with its parent company and other members of the Group.

Directors

The directors who held office during the year were as follows

I J Anderson	(appointed 28 October 2010)
M Garratt	(appointed 28 October 2010)
Mrs J Berry	(resigned 28 October 2010)
R Berry	(resigned 28 October 2010)
Mrs L Harwood	(resigned 28 October 2010)

The Group purchased and maintained throughout the period directors' and officers' liability insurance in respect of its directors.

Proposed dividend

The directors do not recommend the payment of a dividend (*2010 £510,000*)

Political and charitable donations

The Company made no political or charitable donations during the year (*2010 £nil*)

Directors' report (*continued*)

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' 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 prepared the company 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 group and 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he 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.

By order of the board



M Garratt
Director

Frays Court
71 Cowley Road
Uxbridge
UB8 2AE
25 July 2011

Independent Auditors' report to the members of Jay Fostering Limited

We have audited the financial statements of Jay Fostering Limited for the 8 months ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. 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).

Respective responsibilities of directors and auditors

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 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

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 March 2011 and of its profit for the period 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



Terri Coughlan (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge 27 July 2011

Profit and Loss Account
for the period ended 31 March 2011

	<i>Note</i>	Period ended 31 March 2011 £000	Unaudited Year ended 31 July 2010 £000
Turnover	2	2,829	4,105
Cost of sales		(1,560)	(2 192)
Gross profit		1,269	1,913
Administrative expenses		(802)	(1,103)
Operating profit	3	467	810
Interest receivable and similar income		-	-
		467	810
Interest payable and similar charges		-	(12)
Profit on ordinary activities before taxation		467	798
Tax on profit on ordinary activities	5	(137)	(212)
Profit for the financial period		330	586

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

Balance Sheet
at 31 March 2011

	<i>Note</i>	31 March 2011		Unaudited 31 July 2010	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	7		77		86
Current assets					
Debtors	8	551		428	
Cash at bank and in hand		567		172	
Creditors: amounts falling due within one year	9	1,118 (452)		600 (270)	
Net current assets			666		330
Total assets less current liabilities			743		416
Provisions for liabilities	10		(16)		(19)
Net assets			727		397
Capital and reserves					
Called up share capital	12		-		-
Profit and loss account	13		727		397
Shareholders' funds			727		397

These financial statements on pages 5 to 14 were approved by the board of directors on 25 July 2011 and were signed on its behalf by



M Garratt
Director

Company Number 04822721

Notes to the financial statements

1 Accounting policies

Basis of preparation

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and under the historical cost accounting rules and in accordance with the Companies Act 2006. These financial statements have been prepared on the going concern basis.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of NFAP Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of NFA Partnerships Limited, of which NFAP Limited is a wholly owned subsidiary, can be obtained from the address given in note 16.

Turnover

Turnover represents amounts receivable for services net of VAT. Turnover is recognised on the basis of the daily placements made with a full day's revenue recognised for every night a placement is with a foster carer. Turnover invoiced in advance of the period to which it relates is included in deferred income.

Fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Fixtures, fittings and equipment	-	25% reducing balance basis
Buildings	-	no depreciation

Leasing commitments

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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.

A net deferred tax asset is recognised 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 against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Deferred tax is measured at the average tax rates that are expected to apply in the 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 is measured on an undiscounted basis.

A number of changes to the UK corporation tax system were announced in the March 2011 Budget Statement. The main rate of corporation tax reduced from 28% to 26% from 1 April 2011 and was substantively enacted on 29 March 2011. An initial reduction of 1% to 27% effective from 1 April 2011 was enacted by Finance (No 2) Act 2010 and is therefore taken into account in these financial statements. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014, and the reduction to 25% from 1 April 2012 is expected to be enacted by Finance Act 2011. Beyond the reduction to 27%, the changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The impact of these changes on the deferred tax balances is not expected to be material.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the UK.

3 Operating profit

	Period ended 31 March 2011	Unaudited Year ended 31 July 2010
	£000	£000
Operating profit is stated after charging/(crediting)		
Depreciation	14	9
Loss on disposal of fixed assets	-	18
Rental of land and buildings – operating leases	51	59
	<u> </u>	<u> </u>

Auditors' remuneration

	Period ended 31 March 2011	Unaudited Year ended 31 July 2010
	£000	£000
Audit of these financial statements	9	-
	<u> </u>	<u> </u>

4 Staff numbers and costs

The average monthly number of persons employed by the Company (including directors) during the period, analysed by category, was as follows:

	Number of employees	
	2011	2010
Directors	2	3
Administration	21	18
	<u> </u>	<u> </u>
	23	21
	<u> </u>	<u> </u>

Notes to the financial statements *(continued)*

4 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows

	Period ended 31 March 2011	Unaudited Year ended 31 July 2010
	£000	£000
Wages and salaries	463	552
Social security costs	43	68
Pension costs	-	40
	<u>506</u>	<u>660</u>

From 28 October 2010, the Directors were employed by and their remuneration borne by The National Fostering Agency Limited, a subsidiary undertaking of the Group's sister group the NFAH Group. For the period 1 August 2010 to 28 October 2010 the Directors' remuneration was £41,454 (*year ended 31 July 2010 £79,395*)

5 Taxation

Analysis of charge in year

	Period ended 31 March 2011	Unaudited Year ended 31 July 2010
	£000	£000
<i>UK corporation tax</i>		
Current tax on income for the year	140	203
Adjustments in respect of prior periods	-	-
<i>Deferred tax (see note 10)</i>		
Origination of timing differences	(3)	9
	<u>137</u>	<u>212</u>
Tax on profit on ordinary activities		

Notes to the financial statements *(continued)*

5 Taxation (continued)

Factors affecting the tax charge for the current year/future years

The current tax charge for the year is higher (2010 lower) than the standard rate of corporation tax in the UK (28%). The differences are explained below

	Period ended 31 March 2011	Unaudited Year ended 31 July 2010
	£000	£000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	467	798
Current tax at 28%	131	223
Effects of		
Losses surrendered from other group companies	-	-
Expenses not deductible for tax	6	-
Depreciation for year in excess of capital allowances	3	(7)
Marginal rate relief	-	(13)
Adjustments in respect of prior periods	-	-
Current tax charge	140	203

6 Dividends

Dividends paid on equity shares

	Period ended 31 March 2011	Unaudited Year ended 31 July 2010
	£000	£000
<i>Paid during the year</i>		
Ordinary shares 0p (2010 510,000p per share)	-	510

Notes to the financial statements *(continued)*

7 Tangible assets

	Buildings	Fixtures, fittings and equipment	Total
	£000	£000	£000
Cost			
At 1 August 2010	3	102	105
Additions	-	5	5
Disposals	-	-	-
At 31 March 2011	3	107	110
Accumulated depreciation			
At 1 August 2010	-	19	19
Charge for year	-	14	14
Eliminated on disposal	-	-	-
At 31 March 2011	-	33	33
Net book value			
At 31 March 2011	3	74	77
At 31 July 2010	3	83	86

8 Debtors

	2011	Unaudited 2010
	£000	£000
Trade debtors	236	355
Amounts owed by group undertakings	272	-
Prepayments and accrued income	39	73
Other debtors	4	-
	551	428

The amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

Notes to the financial statements *(continued)*

9 Creditors: amounts falling due within one year

	2011	Unaudited 2010
	£000	£000
Trade creditors	16	26
Corporation tax	343	203
Other taxation and social security	14	25
Accruals and deferred income	79	16
	<u>452</u>	<u>270</u>

10 Deferred Taxation

	£000
At 1 August 2010	19
Credit to profit and loss account	(3)
	<u>16</u>
At 31 March 2011	<u>16</u>

The deferred taxation all arose due to accelerated capital allowances

11 Commitments under operating leases

At 31 March 2011 the Company had annual commitments under non-cancellable operating leases for property and car rentals as set out below

	2011 Land and buildings £000	2011 Other £000	2011 Total £000	Unaudited 2010 £000
<i>Operating leases which expire</i>				
Within 1 year	-	3	3	3
Within 2 to 5 years	47	-	47	3
After more than 5 years	-	-	-	41
	<u>47</u>	<u>3</u>	<u>50</u>	<u>47</u>

Notes to the financial statements *(continued)*

12 Called up share capital

	2011	Unaudited 2010
	£	£
Authorised		
20,000 Ordinary shares of £1 each	20,000	20,000
Allotted and fully paid		
100 Ordinary shares of £1 each	100	100

13 Reserves

	Profit and loss account £000
At 1 August 2010	397
Profit for the period	330
At 31 March 2011	727

14 Reconciliation of movement in shareholder's funds

	2011	Unaudited 2010
	£000	£000
Profit for the financial period	330	586
Dividends	-	(510)
Net addition to shareholder's funds	330	76
Opening shareholder's funds	397	321
Closing shareholder's funds	727	397

Notes to the financial statements *(continued)*

15 Contingent liabilities

The Company has a debenture to guarantee the bank loans of all Group companies. The amounts outstanding at the year end were

	2011 £000
Bank loans - Senior Debt	5,363

16 Ultimate parent company, ultimate controlling party and related party transactions

The Company is a subsidiary undertaking of NFAP Limited which in turn is a subsidiary of NFA Partnerships Limited which is the ultimate parent company incorporated in England and Wales and registered in Great Britain. The controlling party is Sovereign Capital Limited Partnership II who controls 72.5% of NFA Partnerships Limited's equity share capital. Details of transactions between the Group and the controlling party and the Group and its directors are disclosed in note 24 to the financial statements of NFA Partnerships Limited, which does not form part of these financial statements.

The only Group in which the results of the company are consolidated is that headed by NFA Partnerships Limited. The consolidated financial statements of this Group can be obtained from Frays Court, 71 Cowley Road, Uxbridge, UB8 2AE.