

Company Registration No. 04318265 (England and Wales)

ACORN LODGE LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2014

FRIDAY



L4E8YQVW

LD6

21/08/2015

#88

COMPANIES HOUSE

ACORN LODGE LIMITED

COMPANY INFORMATION

Director	Mr N J Lukka
Secretary	Mrs A N Lukka
Company number	04318265
Registered office	9 Essex Park Finchley Central London N3 1ND
Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
Bankers	Royal Bank of Scotland 5-10 Great Tower Street London EC3P 3HX

ACORN LODGE LIMITED

CONTENTS

	Page
Strategic report	1
Director's report	2
Statement of director's responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8 - 17

ACORN LODGE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2014

The director presents his strategic report on the company for the year ended 30 November 2014.

Review of the business

The principal activity of the company continues to be the provision of nursing home facilities for the elderly.

The company made a pre-tax profit of £923,183 (2013 - £1,318,432) for the year on a turnover of £3,187,709 (2013 - £3,271,611).

At 30 November 2014 the company had net assets of £5,718,068 (2013 - £4,985,196).

Principal risks and uncertainties

The principal risks and uncertainties facing the business relate to adverse findings by the Care Quality Commission. Despite an adverse finding from the CQC report in July 2013, the company has addressed the issues raised and subsequent reports in February 2014 has found that the relevant standards have been met and the adverse findings remedied.

Key performance indicators

In the opinion of the director there are no Key Performance Indicators whose disclosure is necessary for an understanding of the development, performance or position of the business.

On behalf of the board



Mr N J Lukka

Director

Dated: 20/2/15

ACORN LODGE LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2014

The director presents his report and financial statements for the year ended 30 November 2014.

Director

The director who served during the year was:

Mr N J Lukka

Disclosure of information to auditors

The director has confirmed that there is no information of which he is aware which is relevant to the audit, but of which the auditors are unaware. He has further confirmed that he have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

The auditors, H W Fisher & Company, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the board



Mr N J Lukka

Director

Dated: 22/8/15

ACORN LODGE LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

ACORN LODGE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ACORN LODGE LIMITED

We have audited the financial statements of Acorn Lodge Limited for the year ended 30 November 2014 set out on pages 5 to 17. 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).

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 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 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 director and auditors

As explained more fully in the Director's Responsibilities Statement on page 3, the director 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 30 November 2014 and of its profit for the year 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.

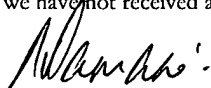
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Director's 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.



Naresh Samani (Senior Statutory Auditor)

for and on behalf of H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Dated: 20/08/2015

ACORN LODGE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 2014

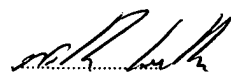
	Notes	2014 £	2013 £
Turnover	2	3,187,709	3,271,611
Cost of sales		(2,040,273)	(1,980,069)
Gross profit		1,147,436	1,291,542
Administrative expenses		(301,381)	(346,359)
Other operating income		-	445,657
Operating profit	3	846,055	1,390,840
Other interest receivable and similar income		48,888	44,967
Amounts written back/(off) investments	5	70,364	(70,364)
Interest payable and similar charges	6	(42,124)	(47,011)
Profit on ordinary activities before taxation		923,183	1,318,432
Tax on profit on ordinary activities	7	(190,311)	(221,777)
Profit for the year	16	732,872	1,096,655

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.

ACORN LODGE LIMITED**BALANCE SHEET****AS AT 30 NOVEMBER 2014**

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	8		3,501,305		3,613,191
Current assets					
Debtors	9	2,587,548		2,363,001	
Investments	10	1,115,564		1,045,200	
Cash at bank and in hand		1,175,255		872,694	
		4,878,367		4,280,895	
Creditors: amounts falling due within one year	11	(657,040)		(603,137)	
Net current assets			4,221,327		3,677,758
Total assets less current liabilities			7,722,632		7,290,949
Creditors: amounts falling due after more than one year	12		(1,936,564)		(2,247,804)
Provisions for liabilities	13		(68,000)		(57,949)
			5,718,068		4,985,196
Capital and reserves					
Called up share capital	15		100		100
Profit and loss account	16		5,717,968		4,985,096
Shareholders' funds	17		5,718,068		4,985,196

Approved by the Board and authorised for issue on 24/11/14

Mr N J Lukka
Director

ACORN LODGE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2014

	Notes	£	2014 £	£	2013 £
Net cash inflow from operating activities	18		881,441		1,033,815
Returns on investments and servicing of finance					
Interest received		48,888		44,967	
Interest paid		(42,124)		(47,011)	
Net cash inflow/(outflow) for returns on investments and servicing of finance			6,764		(2,044)
Taxation			(206,755)		(288,375)
Capital expenditure					
Payments to acquire tangible fixed assets		(66,010)		(41,295)	
Net cash inflow/(outflow) for capital expenditure			(66,010)		(41,295)
Net cash inflow before management of liquid resources and financing			615,440		702,101
Management of liquid resources					
Net cashflows from current asset investments		-		(7,741)	
Net cash outflow from management of liquid resources			-		(7,741)
Financing					
Repayment of long term bank loan		(312,879)		(278,192)	
Net cash outflow from financing			(312,879)		(278,192)
Increase in cash in the year	20, 19		302,561		416,168

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and on a going concern basis..

1.2 Revenue recognition

Turnover represents fees receivable.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% straight line
Fixtures, fittings & equipment	15% reducing balance

1.4 Investments

Current asset investments are stated at the lower of cost and net realisable value.

1.5 Pensions

The company operates a defined contributions pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.6 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2014	2013
	£	£
Operating profit is stated after charging:		
Depreciation of owned tangible fixed assets	177,896	189,851
Auditors' remuneration (including expenses and benefits in kind)	4,914	4,000
	<hr/>	<hr/>

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2014

4 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Administration and care staff	100	94

Employment costs

	2014 £	2013 £
Wages and salaries	1,623,301	1,566,751
Social security costs	121,504	125,418
Other pension costs	2,864	-
	1,747,669	1,692,169

5 Amounts written off investments

	2014 £	2013 £
Amounts written off fixed asset investments:	-	70,364
Amounts written off investments in prior years written back:	(70,364)	-
	(70,364)	70,364

6 Interest payable

	2014 £	2013 £
On other loans	1,639	909
On bank loans and overdrafts	40,485	46,102
	42,124	47,011

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2014

7	Taxation	2014 £	2013 £
	Domestic current year tax		
	U.K. corporation tax	189,391	237,149
	Adjustment for prior years	(9,131)	3,093
	Current tax charge	180,260	240,242
	Deferred tax		
	Deferred tax charge	10,051	(18,465)
		190,311	221,777
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	923,183	1,318,432
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.66% (2013 - 23.33%)	199,961	307,590
	Effects of:		
	Non deductible expenses	242	16,535
	Depreciation add back	38,544	44,292
	Capital allowances	(34,114)	(27,311)
	Investment write back	(15,242)	-
	Adjustments to previous periods	(9,131)	3,093
	Exempt dividend income	-	(2,820)
	Other tax adjustments	-	(101,137)
		(19,701)	(67,348)
	Current tax charge	180,260	240,242

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2014

8 Tangible fixed assets

	Land and buildings Freehold	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 December 2013	3,171,438	1,506,324	4,677,762
Additions	-	66,010	66,010
At 30 November 2014	3,171,438	1,572,334	4,743,772
Depreciation			
At 1 December 2013	383,927	680,644	1,064,571
Charge for the year	44,143	133,753	177,896
At 30 November 2014	428,070	814,397	1,242,467
Net book value			
At 30 November 2014	2,743,368	757,937	3,501,305
At 30 November 2013	2,787,511	825,680	3,613,191

9 Debtors

	2014	2013
	£	£
Trade debtors	208,941	45,852
Amounts owed by companies under common control	1,898,686	1,725,881
Other debtors	474,144	455,615
Prepayments and accrued income	5,777	135,653
	2,587,548	2,363,001

Amounts falling due after more than one year and included in the debtors above are:

	2014	2013
	£	£
Amounts owed by companies under common control	1,898,686	1,725,881
Other debtors	461,688	451,570
	2,360,374	2,177,451

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2014

10	Current asset investments	2014	2013
		£	£
	Listed investments	1,115,564	1,045,200
	Market valuation of listed investments	1,185,900	981,600
11	Creditors: amounts falling due within one year	2014	2013
		£	£
	Bank loans	307,762	307,762
	Trade creditors	75,496	36,059
	Corporation tax	64,161	90,656
	Other taxes and social security costs	33,845	33,119
	Other creditors	120,375	112,539
	Accruals and deferred income	55,401	23,002
		657,040	603,137

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2014

12	Creditors: amounts falling due after more than one year	2014 £	2013 £
	Bank loans	1,862,093	2,174,972
	Amounts owed to companies under common control	74,471	72,832
		<u>1,936,564</u>	<u>2,247,804</u>
	Analysis of loans		
	Not wholly repayable within five years other than by instalments:		
		2,169,855	2,482,734
		<u>2,169,855</u>	<u>2,482,734</u>
	Included in current liabilities	(307,762)	(307,762)
		<u>1,862,093</u>	<u>2,174,972</u>
	Loan maturity analysis		
	Debt due within one year	307,762	307,762
	In more than one year but not more than two years	324,262	307,762
	In more than two years but not more than five years	1,008,428	992,197
	In more than five years	529,403	875,013
		<u>2,169,855</u>	<u>2,482,734</u>

The bank loan is secured by a legal charge over the assets of the company, as well as by a cross-guarantee given by the other companies under the control of the shareholders. The loan is repayable on a monthly basis and interest of base rate + 1.25% is payable on the loan.

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2014

13 Provisions for liabilities

	Deferred tax liability £
Balance at 1 December 2013	57,949
Profit and loss account	10,051
	<hr/>
Balance at 30 November 2014	68,000
	<hr/>

The deferred tax liability is made up as follows:

Deferred tax is calculated at 20% (2013 - 20%) analysed over the following timing differences:

	2014 £	2013 £
Accelerated capital allowances	68,000	57,949
	<hr/>	<hr/>

14 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable to the fund and amounted to £2,864 (2013- £-).

15 Share capital	2014 £	2013 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

16 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 December 2013	4,985,096
Profit for the year	732,872
	<hr/>
Balance at 30 November 2014	5,717,968
	<hr/>

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2014

17	Reconciliation of movements in shareholders' funds	2014	2013
		£	£
	Profit for the financial year	732,872	1,096,655
	Opening shareholders' funds	4,985,196	3,888,541
	Closing shareholders' funds	5,718,068	4,985,196
18	Reconciliation of operating profit to net cash inflow from operating activities	2014	2013
		£	£
	Operating profit	846,055	1,390,840
	Depreciation of tangible fixed assets	177,896	189,851
	Profit/loss on disposal of current asset investments	-	(433,570)
	Increase in debtors	(224,547)	(121,099)
	Increase in creditors	82,037	7,793
	Net cash inflow from operating activities	881,441	1,033,815
19	Reconciliation of net cash flow to movement in net funds/(debt)	2014	2013
		£	£
	Increase in cash in the year	302,561	416,168
	Repayment of long term bank loan	312,879	278,192
	Movements in liquid resources	70,364	370,947
	Movement in net funds in the year	685,804	1,065,307
	Opening net debt	(564,840)	(1,630,147)
	Closing net funds/(debt)	120,964	(564,840)

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2014

20	Analysis of net funds/(debt)	1 December 2013	Cash flow	Other non-cash changes	30 November 2014
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	872,694	302,561	-	1,175,255
	Liquid resources:				
	Current asset investments	1,045,200	-	70,364	1,115,564
	Debt:				
	Debts falling due within one year	(307,762)	-	-	(307,762)
	Debts falling due after one year	(2,174,972)	312,879	-	(1,862,093)
			312,879		
	Net funds/(debt)	(564,840)	615,440	70,364	120,964

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2014

21 Related party transactions

At 30 November 2014 the company was owed £5,606 by Lukka Care Homes Limited (2013: £5,246). During the year, the company charged interest of £124 on this balance (2013: £115).

At 30 November 2014 the company was owed £10,899 by Lukka Properties Limited (2013: £10,660). During the year, the company charged interest of £239 on this balance (2013: £235).

At 30 November 2014 the company was owed £22,372 by Macneil Bootsey Brogan Limited (2013: £21,879). During the year, the company charged interest of £493 on this balance (2013: £481).

At 30 November 2014 the company was owed £759,605 by Macneil Limited (2013: £521,457). During the year, the company charged interest of £13,148 on this balance (2013: £9,143).

At 30 November 2014 the company was owed £557,006 by Macneil UB40 Limited (2013: £544,834). During the year, the company charged interest of £12,172 on this balance (2013: £15,175).

At 30 November 2014 the company was owed £5,615 by Oakley Wood Limited (2013: £5,492). During the year, the company charged interest of £123 on this balance (2013: £121).

At 30 November 2014 the company was owed £539 by Topcare Limited (2013: £91,088). During the year, the company charged interest of £510 on this balance (2013: £1,998).

At 30 November 2014 the company was owed £537,044 by Waterhole Limited (2013: £525,225). During the year, the company charged interest of £11,819 on this balance (2013: £11,428).

At 30 November 2014 the company owed £74,471 to Lukka Care Homes (2010) Limited (2013: £72,832). During the year, the company was charged interest of £1,639 on this balance (2013: £909).

The assets of the companies are subject to a cross-guarantee given in relation to the borrowings of other companies under the control of the shareholders.

All of the above companies are related parties by virtue of the significant interest in the share capital of each by Mr N J Lukka.

At the year end the company was owed £12,456 by Mr N J Lukka (2013: £4,045).

22 Controlling parties

The ultimate controlling party is Mr N J Lukka, by virtue of his shareholding.