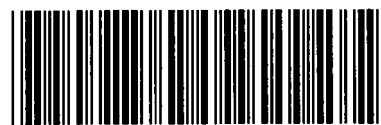


ACORN LODGE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2017

THURSDAY



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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
Auditor	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

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ACORN LODGE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2017

The director presents the strategic report for the year ended 30 November 2017.

Fair 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 £1,172,925 (2016: £1,072,441) for the year on a turnover of £3,906,052 (2016: £3,624,044).

At 30 November 2017 the company had net assets of £12,924,966 (2016: £11,968,854).

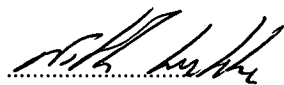
Principal risks and uncertainties

The principal risks and uncertainties facing the company relate to adverse findings by the Care Quality Commission. However, the company ensures that the care home is run to a high standard and no such adverse findings have been reported since the last reported accounts.

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

16/8/2018

ACORN LODGE LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2017

The director presents his annual report and financial statements for the year ended 30 November 2017.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr N J Lukka

Results and dividends

The results for the year are set out on page 6.

A final ordinary dividend was paid amounting to £nil (2016: £32,000).

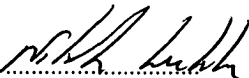
Auditor

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to be aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr N J Lukka

Director

Date: 10/12/18

ACORN LODGE LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2017

The director is responsible for preparing the annual 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;
- 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 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 them 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 AUDITOR'S REPORT

TO THE MEMBERS OF ACORN LODGE LIMITED

Opinion

We have audited the financial statements of Acorn Lodge Limited (the 'company') for the year ended 30 November 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

ACORN LODGE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ACORN LODGE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Director's Responsibilities Statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 auditor's 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.



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

16/07/2018

ACORN LODGE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	3,906,052	3,624,044
Cost of sales		(2,366,618)	(2,203,638)
Gross profit		1,539,434	1,420,406
Administrative expenses		(412,066)	(365,781)
Operating profit	4	1,127,368	1,054,625
Interest receivable and similar income	6	133,801	159,419
Interest payable and similar expenses	7	(78,845)	(92,013)
Investment gains/(losses)	8	(9,399)	(49,590)
Profit before taxation		1,172,925	1,072,441
Taxation	9	(254,148)	(243,102)
Profit for the financial year		918,777	829,339
Other comprehensive income			
Tax relating to other comprehensive income		37,335	68,137
Total comprehensive income for the year		956,112	897,476

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

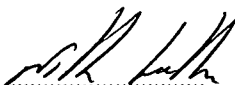
ACORN LODGE LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11	9,755,239		9,925,887	
Current assets					
Debtors	12	6,093,840		6,332,688	
Investments	13	591,795		604,198	
Cash at bank and in hand		1,226,771		388,743	
		<u>7,912,406</u>		<u>7,325,629</u>	
Creditors: amounts falling due within one year	14	<u>(974,015)</u>		<u>(914,356)</u>	
Net current assets		<u>6,938,391</u>		<u>6,411,273</u>	
Total assets less current liabilities		<u>16,693,630</u>		<u>16,337,160</u>	
Creditors: amounts falling due after more than one year	15	(2,972,357)		(3,536,318)	
Provisions for liabilities	17	(796,307)		(831,988)	
Net assets		<u>12,924,966</u>		<u>11,968,854</u>	
Capital and reserves					
Called up share capital	20	100		100	
Revaluation reserve		6,105,456		6,068,121	
Profit and loss reserves		6,819,410		5,900,633	
Total equity		<u>12,924,966</u>		<u>11,968,854</u>	

The financial statements were approved and signed by the director and authorised for issue on ...16/12/17...



Mr N J Lukka
Director

Company Registration No. 04318265

ACORN LODGE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 December 2015		100	5,999,984	5,103,294	11,103,378
Year ended 30 November 2016:					
Profit for the year		-	-	829,339	829,339
Other comprehensive income:					
Tax relating to other comprehensive income		-	68,137	-	68,137
Total comprehensive income for the year		-	68,137	829,339	897,476
Dividends	10	-	-	(32,000)	(32,000)
Balance at 30 November 2016		100	6,068,121	5,900,633	11,968,854
Year ended 30 November 2017:					
Profit for the year		-	-	918,777	918,777
Other comprehensive income:					
Tax relating to other comprehensive income		-	37,335	-	37,335
Total comprehensive income for the year		-	37,335	918,777	956,112
Balance at 30 November 2017		100	6,105,456	6,819,410	12,924,966

ACORN LODGE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	23	1,533,672		1,003,625	
Interest paid		(78,845)		(92,013)	
Income taxes paid		(254,167)		(185,895)	
Net cash inflow from operating activities		<u>1,200,660</u>		<u>725,717</u>	
Investing activities					
Purchase of tangible fixed assets		(59,888)		(32,871)	
Purchase of current asset investments		(428,719)		(633,939)	
Proceeds from sales of current asset investments		431,723		464,265	
Interest received		133,801		130,552	
Dividends received		-		28,867	
Net cash generated from/(used in) investing activities		<u>76,917</u>		<u>(43,126)</u>	
Financing activities					
Repayment of bank loans		(439,549)		(422,525)	
Dividends paid		-		(32,000)	
Net cash used in financing activities		<u>(439,549)</u>		<u>(454,525)</u>	
Net increase in cash and cash equivalents		<u>838,028</u>		<u>228,066</u>	
Cash and cash equivalents at beginning of year		388,743		160,677	
Cash and cash equivalents at end of year		<u><u>1,226,771</u></u>		<u><u>388,743</u></u>	

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2017

1 Accounting policies

Company information

Acorn Lodge Limited is a private company limited by shares incorporated in England and Wales. The registered office is 9 Essex Park, Finchley Central, London, N3 1ND.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue for the provision of nursing home services is recognised by reference to the occupation and use of the facilities of the nursing home.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line (excluding land)
Fixtures, fittings & equipment	15% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

1 Accounting policies

(Continued)

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Interests in listed investments are initially measured at transaction price, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in profit or loss.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of land and buildings

The company has consulted with external valuers to ascertain the fair value of the land and buildings, which was used to determine the deemed cost of the land and buildings at the date of transition to FRS102. The valuation of the company's land and buildings is inherently subjective due to, among other factors, the individual nature, location and condition of the nursing home premises. As a result the valuation is subject to a degree of uncertainty.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £	2016 £
Turnover analysed by class of business		
Nursing home fees	3,906,052	3,624,044

	2017 £	2016 £
Other significant revenue		
Interest income	133,801	130,552
Dividends received	-	28,867

	2017 £	2016 £
Turnover analysed by geographical market		
United Kingdom	3,906,052	3,624,044

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	5,410	5,260
Depreciation of owned tangible fixed assets	230,536	237,049

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2017

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Administration and care staff	106	106

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	1,894,745	1,762,241
Social security costs	156,026	138,495
Pension costs	10,652	9,410
	2,061,423	1,910,146

6 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest receivable from companies under common control	110,342	108,037
Other interest income	23,459	22,515
Total interest revenue	133,801	130,552
Other income from investments		
Dividends received	-	28,867
Total income	133,801	159,419

7 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	75,158	88,600
Interest payable to companies under common control	2,849	2,840
	78,007	91,440
Other finance costs:		
Other interest	838	573
	78,845	92,013

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

8 Investment gains/(losses)

	2017 £	2016 £
Fair value gains/(losses) on financial instruments		
Change in value of financial assets held at fair value through profit or loss	(9,223)	112,053
Other gains/(losses)		
Loss on disposal of investments	(176)	(161,643)
	<u>(9,399)</u>	<u>(49,590)</u>

9 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	252,494	250,188
	<u>252,494</u>	<u>250,188</u>
Deferred tax		
Origination and reversal of timing differences	1,654	(7,086)
	<u>1,654</u>	<u>(7,086)</u>
Total tax charge	<u>254,148</u>	<u>243,102</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	1,172,925	1,072,441
	<u>1,172,925</u>	<u>1,072,441</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.33% (2016: 20.00%)	226,745	214,488
Tax effect of expenses that are not deductible in determining taxable profit	634	(232)
Permanent capital allowances in excess of depreciation	(21,268)	(15,623)
Depreciation on assets not qualifying for tax allowances	44,566	47,410
Effect of revaluations of investments	1,783	-
Dividend income	-	(5,773)
(Profit)/Loss on disposal of investments	34	9,918
Origination and reversal of timing differences	1,654	(7,086)
	<u>254,148</u>	<u>243,102</u>
Taxation charge for the year	<u>254,148</u>	<u>243,102</u>

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

9 Taxation

(Continued)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2017 £	2016 £
Deferred tax arising on: Revaluation of property	(37,335)	(68,137)

10 Dividends

	2017 £	2016 £
Final paid	-	32,000

11 Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings & equipment £	Total £
Cost or valuation			
At 1 December 2016	9,608,367	1,620,978	11,229,345
Additions	3,435	56,453	59,888
At 30 November 2017	9,611,802	1,677,431	11,289,233
Depreciation and impairment			
At 1 December 2016	267,347	1,036,111	1,303,458
Depreciation charged in the year	134,338	96,198	230,536
At 30 November 2017	401,685	1,132,309	1,533,994
Carrying amount			
At 30 November 2017	9,210,117	545,122	9,755,239
At 30 November 2016	9,341,020	584,867	9,925,887

The carrying value of land and buildings was revalued as at 1 December 2014. The revaluation is based on a valuation report prepared in June 2015 by Colliers International Healthcare UK LLP, a firm of chartered surveyors. As at 30 November 2017 the director believes that the fair value of the land and buildings after the depreciation charge for the year correctly reflect the market value. The historical cost of these land and buildings is as follows:

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

11 Tangible fixed assets

(Continued)

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2017 £	2016 £
Cost	3,191,177	3,187,742
Accumulated depreciation	(561,220)	(516,682)
Carrying value	<u>2,629,957</u>	<u>2,671,060</u>

12 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	139,430	222,454
Other debtors	231,200	231,200
Prepayments and accrued income	39,615	10,899
	<u>410,245</u>	<u>464,553</u>
Amounts falling due after one year:		
Amounts owed by companies under common control	4,613,367	4,821,361
Other debtors	1,070,228	1,046,774
	<u>5,683,595</u>	<u>5,868,135</u>
Total debtors	<u>6,093,840</u>	<u>6,332,688</u>

13 Current asset investments

	2017 £	2016 £
Listed investments	<u>591,795</u>	<u>604,198</u>

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

14 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	16	440,570	441,080
Trade creditors		47,271	94,760
Corporation tax		151,362	153,035
Other taxation and social security		42,918	35,200
Other creditors		175,631	138,116
Accruals and deferred income		116,263	52,165
		<u>974,015</u>	<u>914,356</u>

15 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	16	2,968,219	3,407,258
Amounts due to companies under common control		4,138	129,060
		<u>2,972,357</u>	<u>3,536,318</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	1,708,207	1,802,098
	<u>1,708,207</u>	<u>1,802,098</u>

16 Loans and overdrafts

	2017 £	2016 £
Bank loans	3,408,789	3,848,338
	<u>3,408,789</u>	<u>3,848,338</u>
Payable within one year	440,570	441,080
Payable after one year	2,968,219	3,407,258
	<u>2,968,219</u>	<u>3,407,258</u>

The bank loans are 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 loans are repayable on a monthly basis and interest of base rate plus 1.25%/2.05%/2.15% is payable on the loans.

17 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	18	796,307	831,988
		<u>796,307</u>	<u>831,988</u>

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities
	2017	2016
Balances:	£	£
Accelerated capital allowances	53,069	51,415
Revaluations	743,238	780,573
	<u>796,307</u>	<u>831,988</u>

19 Retirement benefit schemes

	2017	2016
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>10,652</u>	<u>9,410</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

ACORN LODGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

21 Related party transactions

At 30 November 2017 the company was owed £4,613,367 by companies under common control (2016: £4,821,361). During the year, the company charged interest of £110,342 on this balance (2016: £108,037).

At 30 November 2017 the company owed £4,138 to companies under common control (2016: £129,060). During the year, the company was charged interest of £2,849 on this balance (2016: £2,840).

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 and members of his close family, and the balances arose from loans made to/received from the above companies.

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.

At the year end the company owed £798 to Mr N J Lukka (2016: £3,803). During the year, Mr N J Lukka received dividends of £nil (2016: £32,000) from the company.

22 Controlling party

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

23 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	918,777	829,339
Adjustments for:		
Taxation charged	254,148	243,102
Finance costs	78,845	92,013
Investment income	(133,801)	(159,419)
Depreciation and impairment of tangible fixed assets	230,536	237,049
Amounts written off investments	9,399	49,590
Movements in working capital:		
Decrease/(increase) in debtors	238,848	(390,439)
(Decrease)/increase in creditors	(63,080)	102,390
Cash generated from operations	1,533,672	1,003,625