

Registration number: 07448673

Acorn Norfolk Limited

Directors' Report and Financial Statements

for the Year Ended 31 August 2014

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Acorn Norfolk Limited Company Information

| | |
|--------------------------|---------------------------------------------------------------------------------------------------|
| Directors | J-L Janet N-J Macdonald |
| Company secretary | H Lecky |
| Registered office | 1 Merchant's Place River Street Bolton Lancashire BL2 1BX |
| Solicitors | SNR Denton One Fleet Place London EC4M 7WS |
| Bankers | Barclays Bank PLC 1 Churchill Place London E14 5HP |
| Auditors | Ernst & Young LLP Bedford House 16 Bedford Street Belfast Northern Ireland BT2 7DT |

Acorn Norfolk Limited

Strategic Report for the Year Ended 31 August 2014

The directors present their strategic report for the year ended 31 August 2014.

Principal activity

The company provides education for children and young people with special education needs with placement being referred from a number of local authorities. The company is part of the Acorn Care 1 Limited Group ("Group"). The Group provides a range of education and care services for children with special needs and looked after children, their families and local authorities across the UK. The Group Statement of Purpose is to establish a group of schools and care providers that meet the holistic needs of children with special needs. The Group aims to provide high quality care and education, to focus on the outcomes for each individual young person it looks after, and to provide equality of opportunity.

Business review

Fair review of the business

The profit for the year, after taxation, amounted to £84,070 (2013: loss of £6,994)

Key performance indicators

The company's key financial and other performance indicators during the year were as follows:

| | Note | 2014 £ | 2013 £ |
|----------|-------------|-------------------|-------------------|
| Turnover | | 5,888,284 | 5,864,209 |
| Profit | | 84,070 | (6,994) |

Acorn Norfolk Limited

Strategic Report for the Year Ended 31 August 2014

Principal risks and uncertainties

Regulatory and legislative risks

As an education and care provider, the company is subject to inspection and report by OfSTED. Regular inspections are carried out for each region. The company regularly updates policy and procedures in order to ensure compliance with required standards. In addition, the company has an obligation to meet Health and Safety requirements, which it does through internal policies and procedures and through using the services of external specialist advisers where necessary.

Financial risks

The company's principal financial instruments comprise cash, trade debtors and creditors, group indebtedness and certain other debtors and accruals. The main risks associated with these financial assets and liabilities are set out below:

Foreign currency risk

The directors do not believe that the company has significant exposures arising from foreign currency risk.

Credit risk

Credit risk arises principally on third party derived revenues. Company policy is aimed at minimising such risk, and collection of debts is actively managed to ensure that payments are received in a timely manner. The company's customers are local authorities and have a good payment history. The directors believe the company's exposure to bad debts is not significant.

Liquidity risk

The liquidity risk is managed through the Group finance function. Capital expenditure is approved at Group level. Day to day cash flow flexibility is maintained by retaining surplus cash in readily accessible bank accounts. Working capital requirements are funded primarily through the company's resources although company does have recourse to additional funding through the Group banking facilities.

Interest rate risk

During the year up to 31st August 2014, the company's interest rate risk was managed through the Group finance function using hedging instruments. Exposure to interest rate movements was hedged through financial instruments which had fixed the maximum LIBOR applicable to the Group's interest rate calculation on a significant element of the Group bank borrowing to 1.04% per annum.

Market price risk

Due to the nature of their principal activity, the directors do not believe the company is exposed to significant movements in market prices of its services.

Approved by the Board on 23 January 2015 and signed on its behalf by:



N-J Macdonald
Director

Acorn Norfolk Limited
Directors' Report for the Year Ended 31 August 2014

The directors present their report and the financial statements for the year ended 31 August 2014.

Directors of the company

The directors who held office during the year were as follows:

D W Johnson (resigned 13 August 2014)

J-L Janet

M Robinson (resigned 1 February 2014)

N-J Macdonald (appointed 16 September 2013)

Dividends

No dividends will be distributed for the year ended 31 August 2014.

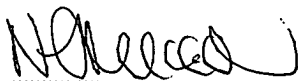
Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 23 January 2015 and signed on its behalf by:



N-J Macdonald
Director

Acorn Norfolk Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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 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 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; and

- 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.

Acorn Norfolk Limited

Independent Auditor's Report to the Members

We have audited the financial statements of Acorn Norfolk Limited which comprise of the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 19 for the year ended 31 August 2014, set out on pages 8 to 18. 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 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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), 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 (APB'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 Strategic Report, Directors' Report and Financial Statements 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 the 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 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 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:

Acorn Norfolk Limited
Independent Auditor's Report to the Members

- 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.

Ernst & Young LLP

Michael Kidd (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor

Bedford House
16 Bedford Street
Belfast
Northern Ireland
BT2 7DT

Date: *26 January 2015*

Acorn Norfolk Limited
Profit and Loss Account for the Year Ended 31 August 2014

| | Note | 2014 £ | 2013 £ |
|------------------------------------------------------|------|----------------------|-----------------------|
| Turnover | | 5,888,284 | 5,864,209 |
| Cost of sales | | <u>(2,536,187)</u> | <u>(2,759,927)</u> |
| Gross profit | | 3,352,097 | 3,104,282 |
| Administrative expenses | | (3,351,505) | (3,110,446) |
| Other operating income | | <u>52,857</u> | <u>-</u> |
| Operating profit/(loss) | 2 | 53,449 | (6,164) |
| Interest payable and similar charges | 4 | <u>(1,467)</u> | <u>-</u> |
| Profit/(loss) on ordinary activities before taxation | | 51,982 | (6,164) |
| Tax on profit/(loss) on ordinary activities | 5 | <u>32,088</u> | <u>(830)</u> |
| Profit/(loss) for the financial year | 14 | <u><u>84,070</u></u> | <u><u>(6,994)</u></u> |

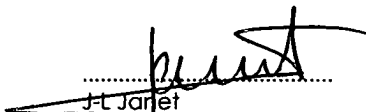
Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Acorn Norfolk Limited
(Registration number: 07448673)
Balance Sheet as at 31 August 2014

| | Note | 2014 £ | 2013 £ |
|------------------------------------------------|------|--------------------|--------------------|
| Fixed assets | | | |
| Intangible assets | 6 | 1,900,745 | 3,038,244 |
| Tangible assets | 7 | <u>1,476,328</u> | <u>1,224,482</u> |
| | | <u>3,377,073</u> | <u>4,262,726</u> |
| Current assets | | | |
| Stocks | 8 | 8,000 | 2,753 |
| Debtors | 9 | 1,287,625 | 816,515 |
| Cash at bank and in hand | | <u>7,084</u> | <u>223,173</u> |
| | | 1,302,709 | 1,042,441 |
| Creditors: Amounts falling due within one year | 10 | <u>(5,194,200)</u> | <u>(5,898,699)</u> |
| Net current liabilities | | <u>(3,891,491)</u> | <u>(4,856,258)</u> |
| Total assets less current liabilities | | (514,418) | (593,532) |
| Provisions for liabilities | 12 | <u>(11,728)</u> | <u>(16,684)</u> |
| Net liabilities | | <u>(526,146)</u> | <u>(610,216)</u> |
| Capital and reserves | | | |
| Called up share capital | 13 | 1 | 1 |
| Profit and loss account | 14 | <u>(526,147)</u> | <u>(610,217)</u> |
| Shareholders' deficit | 15 | <u>(526,146)</u> | <u>(610,216)</u> |

Approved by the Board on 23 January 2015 and signed on its behalf by:


 J-L Jarret
 Director

Acorn Norfolk Limited

Notes to the Financial Statements for the year ended 31 August 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards (UK GAAP).

Exemption from preparing a cash flow statement

The company is exempt from preparing a cash flow statement in accordance with FRS1 as 90% or more of the voting rights are held within the Group.

Going concern

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

Turnover

Turnover represents amounts chargeable in respect of services provided during the year. Where invoices are raised and the services to which they relate have not been performed, the extent of the invoice relating to the unperformed service is carried forward as deferred income.

Turnover is attributable to one class of business, being the provision of education for children and young adults with special education needs.

All turnover arose within the United Kingdom.

Revenue recognition

Revenue is recognised on the provision of education and care for children and young adults. Revenue is measured at the fair value of the consideration received, excluding VAT and discounts.

Goodwill

Goodwill arising on acquisitions of subsidiary undertakings is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised through the Profit and Loss account on a straight line basis over its estimated useful economic life of 5 years.

It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets at the following annual rates calculated to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

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

Freehold properties are held at the revalued amount since acquisition by the Acorn Group and depreciated based on the revalued amount. Freehold land is not depreciated.

Asset class

Freehold and leasehold property

Depreciation method and rate

2% straight line or over the period of the lease

Acorn Norfolk Limited
Notes to the Financial Statements for the year ended 31 August 2014

| | |
|----------------------------------|-------------------------|
| Plant and machinery | 15% straight line |
| Fixtures, fittings and equipment | 15% - 33% straight line |
| Motor vehicles | 25% straight line |

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Deferred tax

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 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.

Hire purchase and leasing

Rental payable under operating leases are charged in the profit and loss account 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.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Pensions

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

Acorn Norfolk Limited
Notes to the Financial Statements for the year ended 31 August 2014

2 Operating profit/(loss)

| | 2014 | 2013 |
|---------------------------------|--------------|--------------|
| | £ | £ |
| Operating leases - other assets | 440,000 | 440,000 |
| Depreciation of owned assets | 119,026 | 88,962 |
| Amortisation | 1,137,499 | 1,137,499 |
| Auditors remuneration | <u>4,324</u> | <u>3,995</u> |

Fees paid to the company's auditor, Ernst & Young LLP, and its associates for services other than the statutory audit of the company are disclosed in Acorn Care 1 Limited on a consolidated basis.

The directors did not receive any remuneration from the company during the year ended 31 August 2014 (2013: Nil).

3 Particulars of employees

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

| | 2014 | 2013 |
|----------------------------|-------------|-------------|
| | No. | No. |
| Administration and support | 147 | 133 |

The aggregate payroll costs were as follows:

| | 2014 | 2013 |
|-----------------------|-------------------------|-------------------------|
| | £ | £ |
| Wages and salaries | 2,891,500 | 2,935,208 |
| Social security costs | 253,025 | 231,019 |
| Other pension schemes | <u>29,813</u> | <u>25,153</u> |
| | <u><u>3,174,338</u></u> | <u><u>3,191,380</u></u> |

4 Interest payable and similar charges

| | 2014 | 2013 |
|-----------------|---------------------|-----------------|
| | £ | £ |
| Finance charges | <u><u>1,467</u></u> | <u><u>-</u></u> |

Acorn Norfolk Limited
Notes to the Financial Statements for the year ended 31 August 2014

5 Taxation

Tax on profit/(loss) on ordinary activities

| | 2014 £ | 2013 £ |
|----------------------------------------------------|-------------------------|-------------------------|
| Current tax | | |
| Group relief | (27,132) | (6,932) |
| Deferred tax | | |
| Origination and reversal of timing differences | (4,611) | 5,479 |
| Deferred tax adjustment relating to previous years | - | 4,007 |
| Effect of changes in tax rates | <u>(345)</u> | <u>(1,724)</u> |
| Total deferred tax | <u>(4,956)</u> | <u>7,762</u> |
| Total tax on profit/(loss) on ordinary activities | <u><u>(32,088)</u></u> | <u><u>830</u></u> |

Factors affecting current tax charge for the year

The tax on profit/(loss) on ordinary activities for the year is the same as the standard rate of corporation tax in the UK (2013 - the same as the standard rate of corporation tax in the UK) of 22.16% (2013 - 25.16%).

The differences are reconciled below:

| | 2014 £ | 2013 £ |
|-------------------------------------------------|-------------------------|-------------------------|
| Profit/(loss) on ordinary activities before tax | <u>51,982</u> | <u>(6,164)</u> |
| Corporation tax at standard rate | 11,520 | (1,551) |
| Capital allowances in excess of depreciation | 4,611 | (5,479) |
| Non-taxable income | (43,263) | - |
| Other differences | <u>-</u> | <u>98</u> |
| Total current tax | <u><u>(27,132)</u></u> | <u><u>(6,932)</u></u> |

Factors that may affect future tax charges

Deferred tax has been calculated at the rates at which timing differences are expected to reverse. The corporation tax rate fell from 23% to 21% from 1 April 2014. Further to this, the corporation tax rate will reduce to 20% from 1 April 2015.

Acorn Norfolk Limited
Notes to the Financial Statements for the year ended 31 August 2014

6 Intangible fixed assets

| | Goodwill £ | Total £ |
|-----------------------|---------------|------------|
| Cost | | |
| At 1 September 2013 | 5,687,494 | 5,687,494 |
| At 31 August 2014 | 5,687,494 | 5,687,494 |
| Amortisation | | |
| At 1 September 2013 | 2,649,250 | 2,649,250 |
| Charge for the year | 1,137,499 | 1,137,499 |
| At 31 August 2014 | 3,786,749 | 3,786,749 |
| Net book value | | |
| At 31 August 2014 | 1,900,745 | 1,900,745 |
| At 31 August 2013 | 3,038,244 | 3,038,244 |

7 Tangible fixed assets

| | Long leasehold land and buildings £ | Fixtures and fittings £ | Motor vehicles £ | Total £ |
|-----------------------|-------------------------------------------------|-------------------------------|------------------------|------------|
| Cost | | | | |
| At 1 September 2013 | 901,446 | 444,023 | 30,849 | 1,376,318 |
| Additions | 120,467 | 215,847 | 34,559 | 370,873 |
| At 31 August 2014 | 1,021,913 | 659,870 | 65,408 | 1,747,191 |
| Depreciation | | | | |
| At 1 September 2013 | 35,951 | 100,138 | 15,747 | 151,836 |
| Charge for the year | 18,932 | 90,834 | 9,261 | 119,027 |
| At 31 August 2014 | 54,883 | 190,972 | 25,008 | 270,863 |
| Net book value | | | | |
| At 31 August 2014 | 967,030 | 468,898 | 40,400 | 1,476,328 |
| At 31 August 2013 | 865,495 | 343,885 | 15,102 | 1,224,482 |

Leased assets

Included within the net book value of tangible fixed assets is £7,566 (2013 - £15,102) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £4,248 (2013 - £7,070).

Acorn Norfolk Limited
Notes to the Financial Statements for the year ended 31 August 2014

8 Stocks

| | 2014 £ | 2013 £ |
|------------|-------------------------|-------------------------|
| Fuel stock | <u>8,000</u> | <u>2,753</u> |

9 Debtors: Amounts falling due within one year

| | 2014 £ | 2013 £ |
|--------------------------------|-------------------------|-------------------------|
| Trade debtors | 1,190,121 | 757,122 |
| Other debtors | 42,089 | 6,932 |
| Prepayments and accrued income | <u>55,415</u> | <u>52,461</u> |
| | <u>1,287,625</u> | <u>816,515</u> |

10 Creditors: Amounts falling due within one year

| | 2014 £ | 2013 £ |
|-------------------------------------------------------------|-------------------------|-------------------------|
| Trade creditors | 115,759 | 37,276 |
| Obligations under finance lease and hire purchase contracts | 7,893 | 553 |
| Amounts owed to group undertakings | 2,909,584 | 3,804,036 |
| Other taxes and social security | 68,220 | 54,049 |
| Other creditors | 8,824 | 37,708 |
| Accruals and deferred income | <u>2,083,920</u> | <u>1,965,077</u> |
| | <u>5,194,200</u> | <u>5,898,699</u> |

Acorn Norfolk Limited
Notes to the Financial Statements for the year ended 31 August 2014

11 Obligations under leases and hire purchase contracts

Amounts repayable under finance leases and hire purchase contracts:

| | 2014 | 2013 |
|-----------------|--------------|-------------|
| | £ | £ |
| Within one year | <u>7,893</u> | <u>553</u> |

Operating lease commitments

As at 31 August 2014 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

| | 2014 | 2013 |
|---------------------------|----------------|----------------|
| | £ | £ |
| Land and buildings | | |
| Within two to five years | <u>440,000</u> | <u>440,000</u> |

12 Provisions

| | Deferred tax | Total |
|-----------------------------------------|---------------------|----------------|
| | £ | £ |
| At 1 September 2013 | 16,684 | 16,684 |
| Credited to the profit and loss account | <u>(4,956)</u> | <u>(4,956)</u> |
| At 31 August 2014 | <u>11,728</u> | <u>11,728</u> |

Analysis of deferred tax

| | 2014 | 2013 |
|-------------------------------------------------------------------------------------|-----------------|-----------------|
| | £ | £ |
| Difference between accumulated depreciation and amortisation and capital allowances | (13,324) | (18,361) |
| Other timing differences | <u>1,596</u> | <u>1,677</u> |
| | <u>(11,728)</u> | <u>(16,684)</u> |

Acorn Norfolk Limited
Notes to the Financial Statements for the year ended 31 August 2014

13 Share capital

Allotted, called up and fully paid shares

| | 2014 | | 2013 | |
|----------------------------|-------------|----------|-------------|----------|
| | No. | £ | No. | £ |
| Ordinary shares of £1 each | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

14 Reserves

| | Profit and loss account £ | Total £ |
|---------------------|------------------------------------------|--------------------|
| At 1 September 2013 | (610,217) | (610,217) |
| Profit for the year | <u>84,070</u> | <u>84,070</u> |
| At 31 August 2014 | <u>(526,147)</u> | <u>(526,147)</u> |

15 Reconciliation of movement in shareholders' funds

| | 2014 £ | 2013 £ |
|----------------------------------------------------------|-------------------|-------------------|
| Profit/(loss) attributable to the members of the company | <u>84,070</u> | <u>(6,994)</u> |
| Shareholders' deficit at 1 September | <u>(610,216)</u> | <u>(603,222)</u> |
| Shareholders' deficit at 31 August | <u>(526,146)</u> | <u>(610,216)</u> |

16 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £29,813 (2013 - £25,153).

Contributions totalling £7,097 (2013 - £3,250) were payable to the scheme at the end of the year and are included in creditors.

17 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 2014 was £81,749,002 (2013 : £86,027,138).

Acorn Norfolk Limited
Notes to the Financial Statements for the year ended 31 August 2014

18 Related party transactions

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 2014 are as follows:

| | <i>Sales to related parties</i> | <i>Purchases from related parties</i> | <i>Amounts owed by related parties</i> | <i>Amounts owed to related parties</i> |
|----------------------------------|-----------------------------------------|-----------------------------------------------|------------------------------------------------|------------------------------------------------|
| | £ | £ | £ | £ |
| Amounts with Parent Company | | | | |
| 2014 | - | - | - | (2,909,584) |
| 2013 | - | - | - | (3,804,036) |
| Amounts with Fellow Undertakings | | | | |
| 2014 | - | - | - | - |
| 2013 | - | - | - | - |

19 Ultimate parent undertaking and controlling party

The immediate parent company is Acorn Care & Education Limited, a company incorporated in England and Wales.

The ultimate parent undertaking 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.