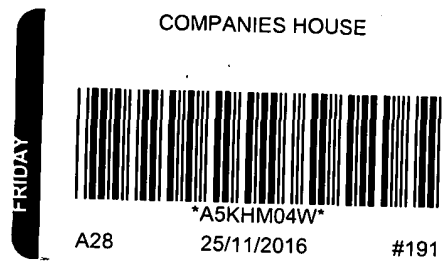


# Acorn Care (Welshpool) Limited

## REPORT AND FINANCIAL STATEMENTS

31 March 2016



Company Registration No. 04227738

# Acorn Care (Welshpool) Limited

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# Acorn Care (Welshpool) Limited

## DIRECTORS AND ADVISORS

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### DIRECTORS

JC Ball  
NGA Ktori

### REGISTERED OFFICE

2<sup>nd</sup> Floor Bezant House  
Bradgate Park View  
Chellaston  
Derbyshire  
DE73 5UH

### AUDITOR

RSM UK Audit LLP  
Chartered Accountants  
Festival Way  
Stoke-on-Trent  
Staffordshire  
ST1 5BB

# Acorn Care (Welshpool) Limited

## DIRECTORS' REPORT

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The directors present their report and the audited financial statements for the year ended 31 March 2016.

### PRINCIPAL ACTIVITIES

The principal activity of the company is the provision of mental health services.

### RESULTS AND DIVIDENDS

The results for the year are shown on page 7.

No dividend has been paid in the year (2015: £nil).

### FUTURE DEVELOPMENTS

In October 2015, the service offering at Phoenix House was broadened through the opening of a new unit for female mental health patients. Consequent to this, the directors are confident that the company will trade profitably.

### FINANCIAL INSTRUMENTS

The company operates its business using bank and cash balances, and continues to be supported by its parent company, Lighthouse Healthcare Limited, which in turn is supported by the ultimate parent company, Lighthouse Healthcare Group Limited. As such, all financial matters are dealt with at a group level. The company does not hold any financial derivative instruments.

### DIRECTORS

The directors who have held office since 1 April 2015 were as follows:

JC Ball

NGA Ktori

### AUDITOR

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

# Acorn Care (Welshpool) Limited

## DIRECTORS' REPORT

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### STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board



**JC Ball**  
Director

27 September 2016

# Acorn Care (Welshpool) Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACORN CARE (WELSHPOOL) LIMITED

We have audited the financial statements on pages 6 to 20. 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Ireland".

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 more fully explained in the Directors' Responsibilities Statement set out on page 4, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report and in preparing the Directors' Report.

*RSM UK Audit LLP*

JONATHAN LOWE (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Festival Way  
Stoke-on-Trent  
Staffordshire  
ST1 5BB

*27 September* 2016

**Acorn Care (Welshpool) Limited**  
**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 March 2016

	Note	2016 £'000	2015 £'000
<b>TURNOVER</b>	2	<b>1,651</b>	1,910
Cost of sales		<b>(1,646)</b>	(1,552)
<b>GROSS PROFIT</b>		<b>5</b>	358
Administrative expenses		<b>(241)</b>	(213)
<b>OPERATING (LOSS)/PROFIT</b>		<b>(236)</b>	145
Interest receivable and similar income	3	<b>1</b>	10
Interest payable and similar charges	4	<b>(74)</b>	(72)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	5-6	<b>(309)</b>	83
Taxation	7	<b>54</b>	(2)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME</b>		<b>(255)</b>	81



# Acorn Care (Welshpool) Limited

## STATEMENT OF FINANCIAL POSITION

At 31 March 2016

	Note	2016		2015	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	8		2,724		2,780
<b>CURRENT ASSETS</b>					
Debtors	9	267		114	
Cash at bank and in hand		78		177	
		<u>345</u>		<u>291</u>	
<b>CURRENT LIABILITIES</b>					
Creditors: Amounts falling due within one year	10	(122)		(114)	
<b>NET CURRENT ASSETS</b>			<u>223</u>		<u>177</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,947</u>		<u>2,957</u>
Creditors: Amounts falling due in more than one year	11		(2,722)		(2,477)
<b>NET ASSETS</b>			<u>225</u>		<u>480</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		1		1
Profit and loss account			224		479
<b>TOTAL EQUITY</b>			<u>225</u>		<u>480</u>

The financial statements on pages 6 to 20 were approved by the board and authorised for issue on 27 September 2016 and are signed on its behalf by:



**NGA Ktori**  
Director

**Acorn Care (Welshpool) Limited**  
**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 March 2016

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	Share capital £'000	Profit and loss account £'000	<b>Total</b> <b>£'000</b>
<b>Balance at 1 March 2014</b>	<b>1</b>	<b>398</b>	<b>399</b>
Profit for the year	-	81	81
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2015</b>	<b>1</b>	<b>479</b>	<b>480</b>
Loss for the year	-	(255)	(255)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2016</b>	<b>1</b>	<b>224</b>	<b>225</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# Acorn Care (Welshpool) Limited

## ACCOUNTING POLICIES

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### GENERAL INFORMATION

Acorn Care (Welshpool) Limited (“the Company”) is a limited company domiciled and incorporated in England.

The address of the Company’s registered office and principal place of business is:

2<sup>nd</sup> Floor Bezant House  
Bradgate Park View  
Chellaston  
Derbyshire  
DE73 5UH

The Company’s principal activities and nature of operation are included in the directors’ report.

### BASIS OF ACCOUNTING

These financial statements are the first financial statements of Acorn Care (Welshpool) Limited prepared in accordance with Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (FRS 102) and the requirements of the Companies Act 2006 and under the historical cost convention. The financial statements of Acorn Care Limited for the year ended 31 March 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous accounting standards applied. Consequently, the directors have amended certain accounting policies to comply with FRS 102 permitted by FRS 102 Chapter 35 ‘Transition to this FRS’.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 ‘Transition to this FRS’. Adjustments are recognised directly in retained earnings at the transition date.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

### REDUCED DISCLOSURES

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 ‘Statement of Cash Flows’ – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 ‘Basic Financial Instruments’ & Section 12 ‘Other Financial Instrument Issues’ – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 ‘Share-based Payment’ – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 ‘Related Party Disclosures’ – Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of Lighthouse Healthcare Group Limited. The consolidated financial statements of Lighthouse Healthcare Group Limited are available from its registered office, 2<sup>nd</sup> Floor Bezant House, Bradgate Park View, Chellaston, Derbyshire, DE73 5UH.

# Acorn Care (Welshpool) Limited

## ACCOUNTING POLICIES

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### GOING CONCERN

The financial statements have been prepared on the going concern basis, which assumes that the company will be able to continue to trade for the foreseeable future. A written pledge has been made between the immediate holding company, Lighthouse Healthcare Limited and Acorn Care (Welshpool) Limited to offer support to ensure that the company can continue to trade to meet its liabilities as they fall due. Lighthouse Healthcare Limited has in place a similar letter of support from its own holding company, Lighthouse Healthcare Group Limited.

The group is reliant on publically funded organisations and, given the ongoing funding constraints in the NHS and local authorities, the market remains challenging. The group continues to focus on winning long term contracts and securing framework agreements to ensure a level of cashflow certainty and on tightly controlling staff costs in services where occupancy levels vary. The business also seeks to enter into group purchasing contracts to realise efficiencies on non-staff cost lines. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the ongoing public sector funding constraints.

Following the restructuring of the group's financing facilities on 28 August 2014, the group has bank facilities in place until October 2018, with headroom on current and forecast performance to meet its obligations as they fall due. Post restructure, the group has hedged 50% of its bank debt to mitigate the risk of increased interest costs.

The directors have a reasonable expectation that the group has adequate resources to meet its financial obligations for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The financial statements are presented in sterling which is also the functional currency of the company.

### TURNOVER

Turnover represents the amounts derived from the provision of mental health services to customers during the year. The turnover is recognised at the beginning of the month to which it relates.

### OTHER INCOME

#### *Interest income*

Interest income is accrued on a time apportioned basis, by reference to the principal outstanding at the effective interest rate.

### 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 provided on all tangible fixed assets other than freehold land at rates calculated to write each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Freehold buildings	-	50 years
Plant and equipment	-	3 to 10 years

All costs in relation to new developments are capitalised up to the date of registration.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Land and buildings are accounted for separately even when acquired together.

# Acorn Care (Welshpool) Limited

## ACCOUNTING POLICIES

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### TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### LEASED ASSETS AND OBLIGATIONS

Leases that do not give rights approximating to ownership are accounted for as 'operating leases' and the rental charges are charged to profit or loss on a straight line basis over the lease term.

### RETIREMENT BENEFITS

The company operates a defined contribution scheme. The amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

### 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, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### ***Financial assets***

##### *Trade, group and other debtors*

Trade, group and other debtors (including accrued income) which are receivable within one year are initially measured at the transaction price and are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

# Acorn Care (Welshpool) Limited

## ACCOUNTING POLICIES

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### FINANCIAL INSTRUMENTS (continued)

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

### *Financial liabilities and equity*

Financial instruments are classified as liabilities and equity instruments 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.

### *Equity instruments*

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

### *Trade, group and other creditors*

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

### *Derecognition of financial assets and liabilities*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, 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. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

# Acorn Care (Welshpool) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

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### 1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the opinion of the directors, there were no critical accounting estimates or areas of material judgement in the preparation of the company's accounts.

### 2 TURNOVER

In the opinion of the directors there is only one class of business, being the provision of mental health services. All turnover is derived in the UK.

### 3 INTEREST RECEIVABLE AND SIMILAR INCOME

	<b>2016</b>	2015
	<b>£'000</b>	£'000
Bank interest receivable	1	10
	<u>          </u>	<u>          </u>

### 4 INTEREST PAYABLE AND SIMILAR CHARGES

	<b>2016</b>	2015
	<b>£'000</b>	£'000
Group loan interest	74	72
	<u>          </u>	<u>          </u>

### 5 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<b>2016</b>	2015
	<b>£'000</b>	£'000
(Loss)/profit on ordinary activities before taxation is stated after charging:		
Depreciation and other amounts written off tangible fixed assets:		
Charge for the year:		
- Owned assets	93	90
Operating lease rentals:		
- Plant and Machinery	3	3
	<u>          </u>	<u>          </u>

The remuneration of the auditor in respect of services provided to the company in the current and previous financial year was borne by the parent company, Lighthouse Healthcare Limited.

An estimate of the fees in relation to the company is £6,000 (2015: £6,000) for audit services and £1,000 (2015: £1,000) in respect of tax compliance.

# Acorn Care (Welshpool) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

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### 6 EMPLOYEES

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

	<b>2016</b>	2015
	<b>Number</b>	Number
Directors	2	2
Management and administration	4	4
Nursing and other staff	41	46
	<hr/>	<hr/>
	<b>47</b>	52
	<hr/> <hr/>	<hr/> <hr/>

The aggregate payroll costs of these persons were as follows:

	<b>2016</b>	2015
	<b>£'000</b>	£'000
Wages and salaries	755	776
Social security costs	56	58
Pension costs	6	6
	<hr/>	<hr/>
	<b>817</b>	840
	<hr/> <hr/>	<hr/> <hr/>

### DIRECTORS' REMUNERATION

The directors received no emoluments for services to the company during the year (2015: £nil). The directors received remuneration for services to Lighthouse Healthcare Limited of which Acorn Care (Welshpool) Limited is a subsidiary undertaking. However, the proportion attributable to their services to Acorn Care (Welshpool) Limited is not separately identifiable.



# Acorn Care (Welshpool) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

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### 7 TAXATION

a) Analysis of charge in the year:

	2016 £'000	2015 £'000
Current taxation:		
UK corporation tax	-	-
Payment for group relief	(52)	2
Adjustments in respect of prior periods	(2)	-
	<hr/>	<hr/>
Total current tax	(54)	2
Deferred taxation:		
Origination and reversal of timing differences	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	(54)	2
	<hr/> <hr/>	<hr/> <hr/>

b) Factors affecting tax (credit)/charge for the year:

The tax assessed for the year is higher (2015: lower) than the standard rate of corporation tax in the UK being 20% (2015: 20%). The differences are explained below:

	2016 £'000	2015 £'000
(Loss)/profit on ordinary activities before taxation	(309)	83
	<hr/>	<hr/>
Company (loss)/profit on ordinary activities multiplied by corporation tax at the standard rate 20% (2015: 20%)	(62)	17
<i>Effect of:</i>		
Expenses not deductible for tax purposes	23	8
Transfer pricing adjustment	(9)	-
FRS 102 adjustment	-	14
Deferred tax not recognised	(4)	(31)
Group relief claimed	-	(6)
Adjustments in respect of prior periods	(2)	-
	<hr/>	<hr/>
Tax (credit)/charge for the year	(54)	2
	<hr/> <hr/>	<hr/> <hr/>

# Acorn Care (Welshpool) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

### 8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant and equipment £'000	Total £'000
Cost:			
At beginning of year	3,092	465	3,557
Additions	-	37	37
At end of year	<u>3,092</u>	<u>502</u>	<u>3,594</u>
Depreciation and impairment:			
At beginning of year	426	351	777
Charge for the year	55	38	93
At end of year	<u>481</u>	<u>389</u>	<u>870</u>
Carrying amount:			
<b>At 31 March 2016</b>	<b><u>2,611</u></b>	<b><u>113</u></b>	<b><u>2,724</u></b>
At 31 March 2015	<u>2,666</u>	<u>114</u>	<u>2,780</u>

Included in freehold land and buildings is land with a value of £360,000 (2015: £360,000) which is not depreciated.

### 9 DEBTORS

	2016 £'000	2015 £'000
<i>Amounts falling due within one year:</i>		
Trade debtors	177	37
Prepayments and accrued income	90	77
	<u>267</u>	<u>114</u>

# Acorn Care (Welshpool) Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2016

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### 10 CREDITORS: Amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	38	61
Other taxation and social security costs	9	12
Other creditors	1	2
Accruals and deferred income	74	39
	<u>122</u>	<u>114</u>

### 11 CREDITORS: Amounts falling due in more than one year

	2016 £'000	2015 £'000
Amounts owed to group undertakings	2,722	2,477
	<u>2,722</u>	<u>2,477</u>

### 12 PROVISIONS FOR LIABILITIES

The elements of deferred tax and amounts not provided are as follows:

	2016		2015	
	Provided £'000	Unprovided £'000	Provided £'000	Unprovided £'000
Difference between accumulated depreciation and capital allowance	116	-	125	-
Tax losses	(116)	3	(125)	-
	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>

The company does not provide deferred taxation assets unless sufficient taxable profits to utilise the assets can be foreseen.

# Acorn Care (Welshpool) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

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### 13 SHARE CAPITAL AND RESERVES

	2016 £'000	2015 £'000
SHARE CAPITAL		
Allotted, called up and fully paid: 1,000 Ordinary shares of £1 each	1	1

The Company's ordinary shares, which carry no rights to fixed income, each carry the rights to one vote at general meetings of the Company.

### RESERVES

Reserves of the company represent the following:

#### *Profit and loss account*

Cumulative profit and loss net of distributions to owners.

### 14 COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 Other £'000	2015 Other £'000
Amounts due: Within one year	1	1

### 15 RETIREMENT BENEFITS

The company operates a defined contribution pension scheme that is administered independently to the company. There were £6,000 (2015: £6,000) of contributions during the year, and £nil (2015: £nil) of outstanding contributions at the year end and included in other creditors.

# Acorn Care (Welshpool) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

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### 16 CONTINGENT LIABILITIES

As at 31 March 2016, the company, along with other members of the Lighthouse Healthcare Group Limited group, was a guarantor in respect of the syndicated parent company loan with the Bank of Scotland and Alcentra Mezzanine No 1 S.a.r.l., Alcentra Mezzanine QPAM S.a.r.l., Shiofra 1 S.a.r.l., and Shiofra 2 S.a.r.l., together "the Alcentra lenders". At the balance sheet date the loan outstanding amounted to £35,362,500 (2015: £36,200,000).

Please note that, as at 31 March 2014, the loan was held by Lighthouse Healthcare Limited, but was amended and novated to Lighthouse Healthcare Group Limited under the financial restructuring of the group completed on 28 August 2014.

Up until 28 August 2014, the company was also a guarantor, along with other members of the Lighthouse Healthcare Limited group, in respect of the parent company loans with the Alcentra lenders. These loans were satisfied in full as part of the financial restructuring on 28 August 2014. At the balance sheet date the loans outstanding amounted to £nil (2015: £nil).

The loans were secured by legal charges dated 19 October 2007 and 22 December 2009 securing the debt against the company's freehold property by way of a fixed charge and the remainder of the company's assets by way of a floating charge. In terms of security, the Alcentra debt ranked secondary to the Bank of Scotland senior debt.

Following the financial restructuring of the group completed on 28 August 2014, the legal charge dated 22 December 2009, in favour of the Alcentra lenders only, was released. At the same time, the company entered into an additional debenture in favour of the Bank of Scotland as security trustee for the Bank of Scotland and the Alcentra lenders.

### 17 ULTIMATE PARENT COMPANY

The directors consider that the ultimate parent undertaking as at 31 March 2016 was Lighthouse Healthcare Group Limited. The company's immediate parent is Lighthouse Healthcare Limited. The consolidated accounts of Lighthouse Healthcare Group Limited are the only consolidated accounts which include the results of Acorn Care (Welshpool) Limited, and are available from:

The Registrar of Companies  
Companies House  
Crown Way  
Cardiff  
CF14 3UZ

# Acorn Care (Welshpool) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

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### 18 FIRST TIME ADOPTION OF FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

RECONCILIATION OF EQUITY		1 April 2014 £'000	31 March 2015 £'000
	Notes		
Company equity as previously reported under previous UK GAAP		43	196
Group loans	A	356	(72)
Transition date adjustments		-	356
Equity reported under FRS 102		<u>399</u>	<u>480</u>
RECONCILIATION OF PROFIT	Notes		Year ended 31 March 2015 £'000
Company profit as previously reported under previous UK GAAP			153
Group loans	A		(72)
Profit reported under FRS 102			<u>81</u>

A – Group loans

Group loans repayable in more than one year are interest free.

Under section 11 of FRS 102 group loans have been discounted at the market rate of interest.