

Registered number: 1422949

THE ACORN NURSERY SCHOOLS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**



THE ACORN NURSERY SCHOOLS LIMITED

COMPANY INFORMATION

Directors	J Cameron J Mackay
Company secretary	N Ball
Registered number	1422949
Registered office	95 Lancaster Road London W11 1QQ
Independent auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

THE ACORN NURSERY SCHOOLS LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditors' Report	3 - 5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Notes to the Financial Statements	8 - 13

THE ACORN NURSERY SCHOOLS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The directors present their report and the financial statements for the year ended 31 August 2020.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The 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 to 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.

Directors

The directors who served during the year were:

J Cameron
J Mackay

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

Due to the ongoing Covid 19 pandemic, the Company decided to freeze the fees for the Autumn 2020 term at the levels charged for Autumn 2019. As a result of social distancing measures, extra-curricular activities, both academic and non-academic were significantly reduced, with no externally delivered clubs being offered

THE ACORN NURSERY SCHOOLS LIMITED

**DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2020**

The Company has taken advantage of the government's Coronavirus Job Retention Scheme ("CJRS") and flexibly furloughed staff where possible, ensuring that this has not impacted on service delivery.

The Company anticipates that the school will remain fully open in the Summer Term.

The directors consider this to be a non-adjusting post balance sheet event.

Auditors

The auditors, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 24 May 2021 and signed on its behalf.

john s mackay

J Mackay
Director

THE ACORN NURSERY SCHOOLS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ACORN NURSERY SCHOOLS LIMITED

Opinion

We have audited the financial statements of The Acorn Nursery Schools Limited (the 'Company') for the year ended 31 August 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the related notes, 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 Financial Reporting Standard 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 31 August 2020 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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 directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

THE ACORN NURSERY SCHOOLS LIMITED

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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 Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are 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 directors are 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

THE ACORN NURSERY SCHOOLS LIMITED

Use of our report

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members for our audit work, for this report, or for the opinions we have formed.



Anastasia Frangos (Senior Statutory Auditor)

for and on behalf of
Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

24 May 2021

THE ACORN NURSERY SCHOOLS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020	2019
		£	£
Turnover		860,057	914,879
Administrative expenses		(751,391)	(765,069)
Other operating income	3	<u>119,036</u>	<u>8,536</u>
Operating profit		227,702	158,346
Interest receivable and similar income		698	618
Interest payable and expenses		<u>(195)</u>	<u>-</u>
Profit before taxation		228,205	158,964
Tax on profit		<u>(3,593)</u>	<u>(32,533)</u>
Profit for the financial year		<u><u>224,612</u></u>	<u><u>126,431</u></u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the Statement of Comprehensive Income.

There was no other comprehensive income for 2020 (2019: £nil).

The notes on pages 8 to 13 form part of these financial statements.

THE ACORN NURSERY SCHOOLS LIMITED

REGISTERED NUMBER:1422949

**STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	432,217	403,449
Investments	6	<u>1,390</u>	<u>1,390</u>
		433,607	404,839
Current assets			
Debtors: amounts falling due within one year	7	2,395,565	2,168,103
Cash at bank and in hand	8	<u>258,403</u>	<u>321,020</u>
		2,653,968	2,489,123
Creditors: amounts falling due within one year	9	<u>(310,106)</u>	<u>(316,239)</u>
Net current assets		<u>2,343,862</u>	<u>2,172,884</u>
Total assets less current liabilities		2,777,469	2,577,723
Creditors: amounts falling due after more than one year	10	(71,506)	(98,411)
Provisions for liabilities			
Deferred taxation		<u>(2,039)</u>	<u>-</u>
Net assets		<u>2,703,924</u>	<u>2,479,312</u>
Capital and reserves			
Called up share capital		111	111
Profit and loss account		<u>2,703,813</u>	<u>2,479,201</u>
		<u>2,703,924</u>	<u>2,479,312</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 May 2021.

John S Mackay

J Mackay
Director

The notes on pages 8 to 13 form part of these financial statements.

THE ACORN NURSERY SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

The Acorn Nursery Schools Limited is incorporated in England and Wales as a company limited by share capital.

The Company's registered office is: 95 Lancaster Road, London, England, W11 1QQ.

The Company is registered in England and Wales, registered number 01422949.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The Company made a profit before tax of £238,260 in the year, had net current assets of £2,314,475 and cash balances of £258,403 at the year end. In November 2019 the Company loaned an additional £200,000 to Notting Hill Preparatory School Limited ("NHP"), the Company's parent in November 2019. Subsequently NHP has drawn down loans and is in a position to repay this amount if required.

The Company has prepared forecasts covering the period to 31 December 2022. Appropriate diligence has been applied by the directors who believe that the forecasts are prepared on a realistic basis using the best available information. In particular, the forecasts include the impact that COVID-19 has had to date and the Director's best estimates of the impact of COVID-19 over the period to 2022. It has been anticipated that the schools will be fully open in the summer term 2021. Currently cash balances stand at £503,334. In June 2020, NHP applied for and received a loan of £1.8m Coronavirus Business Interruption Scheme ("CBILS") which was provide to funding for the Group. NHP has committed to provide funding for the Company if required.

After a review of the forecasts and the inherent uncertainties the Directors have a reasonable expectation that the Company has sufficient resources to discharge its liabilities as they fall due and consequently the Directors do not consider there to be any uncertainty with regard to the going concern. The Directors therefore continue to adopt the going concern basis in preparing the financial statements.

2.3 Turnover

Turnover comprises amounts recognised by the company in respect of fees receivable and charges for services, which are accounted for in the period in which the service is provided. Fees receivable are stated after deducting remissions granted by the school.

2.4 Government Grants

Payments received in respect of the Government Job Retention Scheme have been recognised in other income, in the period to which the claim relates.

THE ACORN NURSERY SCHOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Long term leasehold property	-	2% on cost per annum
Fixtures and fittings	-	25% on cost per annum
Computer equipment	-	33% on cost per annum

2.6 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined are re-measured to market value at each reporting date. Gains and losses on re-measurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Creditors

Short term creditors are measured at the transaction price.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

THE ACORN NURSERY SCHOOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Other operating income

	2020 £	2019 £
Historic deposits not claimed	35,863	-
Other income	520	8,536
Government Grants	<u>82,653</u>	<u>-</u>
	<u><u>119,036</u></u>	<u><u>8,536</u></u>

4. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Teaching	15	16
Non-Teaching	<u>2</u>	<u>2</u>
	<u><u>17</u></u>	<u><u>18</u></u>

5. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 September 2019	440,338	45,150	27,506	512,994
Additions	<u>21,558</u>	<u>8,942</u>	<u>10,644</u>	<u>41,144</u>
At 31 August 2020	<u>461,896</u>	<u>54,092</u>	<u>38,150</u>	<u>554,138</u>
Depreciation				
At 1 September 2019	43,832	39,040	26,673	109,545
Charge for the year	<u>9,368</u>	<u>2,416</u>	<u>592</u>	<u>12,376</u>
At 31 August 2020	<u>53,200</u>	<u>41,456</u>	<u>27,265</u>	<u>121,921</u>
Net book value				
At 31 August 2020	<u>408,696</u>	<u>12,636</u>	<u>10,885</u>	<u>432,217</u>
At 31 August 2019	<u>396,506</u>	<u>6,110</u>	<u>833</u>	<u>403,449</u>

THE ACORN NURSERY SCHOOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 September 2019	1,390
At 31 August 2020	<u>1,390</u>

7. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	2,347,179	2,147,179
Other debtors	45,582	8,975
Prepayments and accrued income	2,804	10,744
Deferred taxation	-	1,205
	<u>2,395,565</u>	<u>2,168,103</u>

8. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>258,403</u>	<u>321,020</u>

There is a cross guarantee and debenture between Notting Hill Preparatory School Limited and The Acorn Nursery School Limited, dated 11 February 2015.

9. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	26,209	39,681
Deposits	89,000	56,000
Corporation tax	-	33,537
Other taxation and social security	49,278	9,985
Other creditors	31,154	29,693
Accruals and deferred income	114,465	147,343
	<u>310,106</u>	<u>316,239</u>

THE ACORN NURSERY SCHOOLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Deposits	<u>71,506</u>	<u>98,411</u>

11. Pension commitments

The Company operates a defined contribution scheme with employees contributing up to 5% and the school contributing 5% (2019: 5% and 5% respectively). The total contributions payable by the Company in the year were £17,114 (2019: £17,800). As at 31 August 2020 amounts totalling £1,433 (2019: £1,790) were due to the Scheme and are included within creditors.

12. Commitments under operating leases

At 31 August 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Not later than 1 year	67,270	125
Later than 1 year and not later than 5 years	269,920	500
Later than 5 years	<u>340,583</u>	<u>120,875</u>
	<u>677,773</u>	<u>121,500</u>

13. Related party transactions

As the Company is a wholly owned subsidiary of Notting Hill Preparatory School Limited, its ultimate controlling party, it has taken the exemption under Section 33 of Financial Reporting Standard 102 to not disclose transactions with its parent company.

14. Post balance sheet events

The impact of Covid-19 continues to be the most significant post balance sheet event for the Company. The Company decided to freeze the fees for the Autumn 2020 term at the levels charged for Autumn 2019. As a result of social distancing measures, extra-curricular activities, both academic and non-academic were significantly reduced, with no externally delivered clubs being offered.

The Company has taken advantage of the government's Coronavirus Job Retention Scheme ("CJRS") and flexibly furloughed staff where possible, ensuring that this has not impacted on service delivery.

The Company anticipates that the school will remain fully open in the Summer Term.

The directors consider this to be a non-adjusting post balance sheet event.

15. Controlling party

The Company's ultimate parent undertaking and controlling party is Notting Hill Preparatory School Limited, a company limited by share capital (No. 04677024) and registered in England and Wales.

The Company is included within the consolidated financial statements of Notting Hill Preparatory School Limited, which is available from its registered office: 95 Lancaster Road, London, W11 1QQ.