

Registered number: 05309699

Mulberry Cottages Limited

**Directors' report and financial statements
for the year ended 31 December 2017**



Mulberry Cottages Limited

Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of Mulberry Cottages Limited for the year ended 31 December 2017

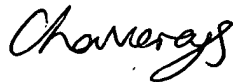
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Mulberry Cottages Limited for the year ended 31 December 2017 which comprise the profit and loss account, balance sheet and related notes from the company accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the board of directors of Mulberry Cottages Limited, as a body, in accordance with the terms of our engagement letter dated 25 October 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Mulberry Cottages Limited and state those matters that we have agreed to state to the board of directors of Mulberry Cottages Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Mulberry Cottages Limited and its board of directors, as a body, for our work or for this report.

It is your duty to ensure that Mulberry Cottages Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of Mulberry Cottages Limited. You consider that Mulberry Cottages Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Mulberry Cottages Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Chavereys
Chartered Accountants
Faversham
27 June 2018

Mulberry Cottages Limited
Registered number:05309699

Balance sheet
as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	4	8,931	17,065
Tangible assets	5	95,410	120,928
		<u>104,341</u>	<u>137,993</u>
Current assets			
Debtors: amounts falling due within one year	6	255,814	158,196
Cash at bank and in hand		278	455
		<u>256,092</u>	<u>158,651</u>
Creditors: amounts falling due within one year	7	(346,350)	(425,713)
Net current liabilities		<u>(90,258)</u>	<u>(267,062)</u>
Total assets less current liabilities		<u>14,083</u>	<u>(129,069)</u>
Provisions for liabilities			
Deferred tax	8	(2,839)	
		<u>(2,839)</u>	
Net assets/(liabilities)		<u>11,244</u>	<u>(129,069)</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		11,144	(129,169)
		<u>11,244</u>	<u>(129,069)</u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S R Wood 

Mulberry Cottages Limited
Registered number:05309699

Balance sheet (continued)
as at 31 December 2017

Director

Date: 27 June 2018

The notes on pages 4 to 9 form part of these financial statements.

Mulberry Cottages Limited

Notes to the financial statements for the year ended 31 December 2017

1. General information

Mulberry Cottages Limited is a limited liability company incorporated in England. The registered office is 17 New Dover Road, Canterbury, Kent CT1 3AS.

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 financial statements are presented in pound sterling and all values are rounded to the nearest pound (£) except where otherwise indicated.

2.2 Revenue recognition

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.3 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the profit and loss account over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	5	years
Trademarks	10	years

2.4 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.

Mulberry Cottages Limited

Notes to the financial statements for the year ended 31 December 2017

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as shown below.

Depreciation is provided on the following basis:

S/Term Leasehold Property	- 10 - 20% straight line
Plant and machinery	- 20 - 33% straight line
Motor vehicles	- 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

2.5 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2.6 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.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Mulberry Cottages Limited

Notes to the financial statements for the year ended 31 December 2017

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, 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 balance sheet 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 balance sheet 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 balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 41 (2016 -31).

Mulberry Cottages Limited

Notes to the financial statements for the year ended 31 December 2017

4. Intangible assets

	Trademarks £	Goodwill £	Total £
Cost			
At 1 January 2017	7,266	37,035	44,301
At 31 December 2017	7,266	37,035	44,301
Amortisation			
At 1 January 2017	1,311	25,925	27,236
Charge for the year	727	7,407	8,134
At 31 December 2017	2,038	33,332	35,370
Net book value			
At 31 December 2017	5,228	3,703	8,931
At 31 December 2016	5,955	11,110	17,065

5. Tangible fixed assets

	S/Term Leasehold Property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2017	107,450	158,077	15,521	281,048
Additions	-	984	8,625	9,609
Disposals	-	(68,787)	(6,730)	(75,517)
At 31 December 2017	107,450	90,274	17,416	215,140
Depreciation				
At 1 January 2017	30,705	122,938	6,476	160,119
Charge for the year on owned assets	16,136	15,254	2,590	33,980
Disposals	-	(68,787)	(5,582)	(74,369)
At 31 December 2017	46,841	69,405	3,484	119,730
Net book value				
At 31 December 2017	60,609	20,869	13,932	95,410
At 31 December 2016	76,745	35,138	9,045	120,928

Mulberry Cottages Limited

Notes to the financial statements for the year ended 31 December 2017

6. Debtors

	2017 £	2016 £
Trade debtors	18,458	6,594
Other debtors	114,552	84,850
Prepayments and accrued income	122,804	39,898
Deferred taxation	-	26,854
	<u>255,814</u>	<u>158,196</u>

Included within other debtors due within one year is a loan to S Wood, a director, amounting to 55,409 (2016 - £0). Amounts repaid during the year totalled £25,000. The main conditions were as follows:

Interest of 2.6% was charged on this loan.

7. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	67,985	49,214
Trade creditors	52,585	67,143
Corporation Tax	24,534	18,507
Other taxation and social security	102,468	81,258
Other creditors	50,689	143,168
Accruals and deferred income	48,089	66,423
	<u>346,350</u>	<u>425,713</u>

Included within other creditors is a loan of £50,000 due to T Yates a director.

8. Deferred taxation

	2017 £
At beginning of year	26,854
Charged to profit or loss	(29,693)
At end of year	<u>(2,839)</u>

Mulberry Cottages Limited

Notes to the financial statements for the year ended 31 December 2017

8. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(2,839)	(11,792)
Tax losses carried forward	-	38,646
	<u>(2,839)</u>	<u>26,854</u>

9. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £4,490 (2016 - £425). Contributions totalling £689 (2016 - £nil) were payable to the fund at the balance sheet date.