

COMPANY REGISTRATION NUMBER: 06671995

Cognatum Estates Limited
Financial Statements
31 December 2016



MERCER LEWIN LTD
Chartered accountant & statutory auditor
41 Cornmarket Street
Oxford
OX1 3HA

Cognatum Estates Limited

Financial Statements

Year ended 31 December 2016

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Cognatum Estates Limited

Chairman's Statement

Year ended 31 December 2016

2016 was a year of change, both externally and internally for Cognatum.

Whilst Brexit and other macro-economic events affected us all, Cognatum Estates continued the programme of change and renewal. 2016 saw the first phase of significant investment in new IT infrastructure, the creation of a new customer services team, a relaunch of health and safety policies and practices, the commencement of a review of our governance, and a new approach to managing and improving contractor performance and value for money, and to focussing our estate investment plans.

Our excellent estate managers remain fundamental to our continued success; as the face of our business, our teams deliver excellent services on a daily basis, and are rightly praised and valued by our customers. We continued to invest in our people, with induction and training and a new approach to appraisal and performance management.

We renewed our commitment to the Association of Retirement Housing Managers, ARHM, as our trade body and source of good practice, and also joined the Retirement Housing Group (RHG), a body created to co-ordinate our sector voice and so enable us to more effectively influence policy makers, broadcast the need for more retirement housing to face the changing demographics, and form part of an enlightened national housing policy.

Better communication remains key to improving our business; we have focussed new resources in our communications activities, and are beginning to reap the rewards from this investment, with pleasingly positive initial feedback from owners and staff alike.

We continue to look at ways to ensure that our gardens, grounds and buildings are maintained to a high standard and that our estates remain the most attractive places to live in. The ten-year garden plans led by our Garden Adviser Charles Gilchrist are one such initiative. We are also working on a new website to promote brand awareness and how uniquely special each of our estates are. Interest in them remains strong and property values have been steadily rising.

Of course, none of this would be possible without strong and resilient finances, and so it is especially pleasing to note that the business investment described above, and others, was delivered with a broadly balanced budget, whilst limiting management fee increases to inflation levels, and so continuing our longer-term trend of keeping fee increases under RPI.

Towards the end of the year, demolition works began on the small new development and extension to Stuart Court in Minchinhampton. We would like to extend our estate portfolio in the future and work with other developers who wish to be associated with the Cognatum brand, and recognise the added value and reputation for excellence that the Cognatum name commands.

Henry Thornton
Chairman

12th April 2017

Cognatum Estates Limited

Directors' Report

Year ended 31 December 2016

The directors present their report and the financial statements of the company for the year ended 31 December 2016.

Directors

The directors who served the company during the year were as follows:

H J D Thornton (Chairman)
J T Lavin (Managing Director)
S B Taylor
G S C Mossop
M T Vine (Company Secretary)
A W Matthews
N Ratcliffe-Wilson
J Gaines (Resigned 5 October 2016)

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 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 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 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 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

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

Cognatum Estates Limited

Directors' Report *(continued)*

Year ended 31 December 2016

Small company provisions

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

This report was approved by the board of directors on 12 April 2017 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'J T Lavin', written over a horizontal line.

J T Lavin (Managing Director)

Registered office:

Pipe House
Lupton Road
Wallingford
Oxfordshire
OX10 9BS

Cognatum Estates Limited

Independent Auditor's Report to the Members of Cognatum Estates Limited

Year ended 31 December 2016

We have audited the financial statements of Cognatum Estates Limited for the year ended 31 December 2016 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of 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 explained more fully in the directors' responsibilities statement, 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 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 directors' report 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 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 December 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.

Cognatum Estates Limited


Independent Auditor's Report to the Members of Cognatum Estates Limited *(continued)*

Year ended 31 December 2016

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; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Andrew Churchill Stone (Senior Statutory Auditor)

For and on behalf of
Mercer Lewin Ltd
Chartered accountant & statutory auditor
41 Cornmarket Street
Oxford
OX1 3HA

19 June 2017

Cognatum Estates Limited**Statement of Income and Retained Earnings****Year ended 31 December 2016**

	Note	2016 £	2015 £
Turnover		870,554	911,450
Gross profit		870,554	911,450
Administrative expenses		871,715	871,028
Operating (loss)/profit		(1,161)	40,422
Other interest receivable and similar income		491	578
(Loss)/profit before taxation	7	(670)	41,000
Tax on (loss)/profit		29	116
(Loss)/profit for the financial year and total comprehensive income		(699)	40,884
Retained earnings at the start of the year		124,814	83,930
Retained earnings at the end of the year		124,115	124,814

All the activities of the company are from continuing operations.

Cognatum Estates Limited

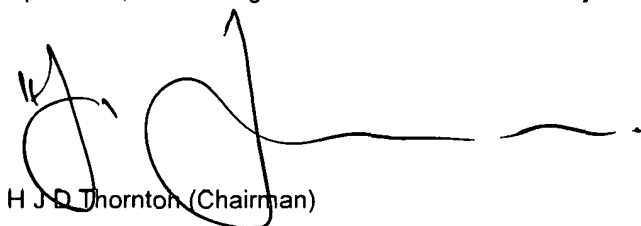
Statement of Financial Position

31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	8	32,834	45,188
Current assets			
Debtors	10	132,474	25,927
Cash at bank and in hand		<u>136,978</u>	<u>169,395</u>
		269,452	195,322
Creditors: amounts falling due within one year	11	<u>178,171</u>	<u>115,696</u>
Net current assets		91,281	79,626
Total assets less current liabilities		<u>124,115</u>	<u>124,814</u>
Net assets		<u>124,115</u>	<u>124,814</u>
Capital and reserves			
Profit and loss account		124,115	124,814
Members funds		<u>124,115</u>	<u>124,814</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 12 April 2017, and are signed on behalf of the board by:



H J D Thornton (Chairman)

Company registration number: 06671995

The notes on pages 7 to 11 form part of these financial statements.

Cognatum Estates Limited

Notes to the Financial Statements

Year ended 31 December 2016

1. General information

The company is a private company limited by guarantee, registered in England and Wales. The address of the registered office is Pipe House, Lupton Road, Wallingford, Oxfordshire, OX10 9BS.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 13.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

The company collects service charges payable by residential property owners principally under leases held with The English Courtyard Association Limited and The Beechcroft Trust Limited, of both of which (see Note 6) the company is the sole member. Only the turnover relevant to the company's principal activities is reported in these financial statements. This included registration fees and administration fees.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Cognatum Estates Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Income tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	-	20% straight line
Computer equipment	-	20% straight line
Furniture and fittings	-	20% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Cognatum Estates Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Financial instruments

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

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Status

The company is limited by guarantee and does not have a share capital. The maximum guarantee that could be contributed by each member is £1 and at 31 December 2015 there were seven (2015: nine) members.

Cognatum Estates Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2016

5. Auditor's remuneration

	2016 £	2015 £
Fees payable for the audit of the financial statements	<u>13,200</u>	<u>12,600</u>

6. Employee numbers

The average number of persons employed by the company during the year, including the directors, amounted to 20 (2015: 20).

7. Profit before taxation

(Loss)/profit before taxation is stated after charging:

	2016 £	2015 £
Depreciation of tangible assets	<u>15,006</u>	<u>18,835</u>

8. Tangible assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 January 2016	25,575	98,543	1,440	125,558
Additions	—	1,075	1,577	2,652
At 31 December 2016	<u>25,575</u>	<u>99,618</u>	<u>3,017</u>	<u>128,210</u>
Depreciation				
At 1 January 2016	10,230	69,564	576	80,370
Charge for the year	5,115	9,288	603	15,006
At 31 December 2016	<u>15,345</u>	<u>78,852</u>	<u>1,179</u>	<u>95,376</u>
Carrying amount				
At 31 December 2016	<u>10,230</u>	<u>20,766</u>	<u>1,838</u>	<u>32,834</u>
At 31 December 2015	<u>15,345</u>	<u>28,979</u>	<u>864</u>	<u>45,188</u>

9. Investments

The company is the sole member of each of The Beechcroft Trust Limited (BTL) and The English Courtyard Association Limited (ECA), companies incorporated in the United Kingdom. Both BTL and ECA are companies limited by guarantee and have no share capital. Each company is dormant and has no assets apart from the freeholds of the developments they managed.

ECA in turn owns 100% of the 7 shares of £1 each of Les Blancs Bois Limited, a company which is incorporated in Guernsey and whose principal activity is the provision and management of sheltered residential accommodation.

The following figures have been extracted from the accounts of these companies for the year ended 31 December 2015.

Cognatum Estates Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

10. Debtors

	2016 £	2015 £
Trade debtors	23,589	12,702
Other debtors	108,885	13,225
	<u>132,474</u>	<u>25,927</u>

11. Creditors: amounts falling due within one year

	2016 £	2015 £
Social security and other taxes	60,604	57,630
Other creditors	117,567	58,066
	<u>178,171</u>	<u>115,696</u>

12. Related party transactions

Cognatum Property Limited is an independent estate agency providing sellers of Cognatum properties with their own exclusive valuation and marketing service. It was established by agreement with the company and shares offices and some administrative functions. Henry Thornton, Guy Mossop and John Lavin are directors of both companies.

During the year the company received payments from Cognatum Property Limited of £3,600 (2015: £6,900) for sales administration fees, £52,590 (2015: £105,427) for sales commissions, £35,034 (2015: £33,455) for office rent and associated charges and £129,172 (2015: £126,284) for monthly reimbursement of salaries and associated costs processed on behalf of Cognatum Property Limited.

During the year the company paid Cognatum Property Limited fees of £50,710 (2015: £107,910). At 31 December 2016 the reconciliation of charges and extraordinary costs resulted in Cognatum Estates Limited being owed a sum of £12,627 (2015: £6,515) from Cognatum Property Limited.

13. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in equity or profit or loss for the year.