

**COGNATUM ESTATES LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

Mercer Lewin Ltd  
Chartered Accountants and Registered Auditors  
41 Cornmarket Street  
Oxford  
OX1 3HA

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**COGNATUM ESTATES LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**DIRECTORS:**

J T Lavin  
A W Matthews  
G S C Mossop  
G A Paul  
S B Taylor  
N Sercombe  
J M Edwards  
J Emery

**REGISTERED OFFICE:**

Pipe House  
Lupton Road  
Wallingford  
Oxfordshire  
OX10 9BS

**REGISTERED NUMBER:**

06671995 (England and Wales)

**AUDITORS:**

Mercer Lewin Ltd  
Chartered Accountants and Registered Auditors  
41 Cornmarket Street  
Oxford  
OX1 3HA

**CHAIRMAN'S STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

I am pleased to report on the financial position for Cognatum Estates Ltd for the year ending December 2021.

During a year which saw the business, like many others, put under considerable strain as a result of the pandemic I am pleased to note that our management, estate and head office teams have performed in exemplary fashion in ensuring that our estates have maintained the standards to which our leaseholders have come to expect.

The financial performance during this year shows a deficit of just over £82,000, which whilst on the face of it looks disappointing, it should be noted that there are several factors for this. During 2021 the Board of CEL approved a realignment in the way the business manages income and expenditure. This change (implemented from 2022 onwards) was designed to give a more accurate picture of the income/cost relationship specifically ensuring that the managing fee reflected the true costs of running the day-to-day side of the business. Thus, the picture for 2022 will demonstrate a much improved financial position.

I would like to express my appreciation to the team at Mercer Lewin for preparing these accounts.

A Matthews  
14 September 2022

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

J T Lavin  
A W Matthews  
G S C Mossop  
G A Paul  
S B Taylor  
N Sercombe  
J M Edwards

Other changes in directors holding office are as follows:

N R Wilson - resigned 29 September 2021  
J Emery - appointed 1 October 2021

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual 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 surplus or deficit 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 judgements 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Mercer Lewin Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**COGNATUM ESTATES LIMITED (REGISTERED NUMBER: 06671995)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

A W Matthews - Director

14 September 2022

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COGNATUM ESTATES LIMITED**

### **Opinion**

We have audited the financial statements of Cognatum Estates Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, 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 December 2021 and of its deficit 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 UK, including the FRC'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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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. We have nothing to report in this regard.

### **Opinions 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COGNATUM ESTATES LIMITED**

### **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 Report of the Directors.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COGNATUM ESTATES LIMITED**

### **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 a Report of the Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We discussed the framework in which the company operates with senior management and in conjunction with our experience of the industry in which the company operates, sought to identify laws and regulations which are critical to the company's business. No such critical laws and regulations were identified.

As part of routine audit procedures, the possibility of non-compliance with general laws (e.g. employment law, health and safety regulations) were considered, in response to the assessed risks in relation to these laws and regulations.

The risks of fraud were discussed with senior management, including details of any known instances. Our records of the company's systems and procedures was reviewed by the audit team (including the audit engagement partner) to identify possible areas where fraud might occur.

The above procedures were undertaken by the audit team as a whole, led by the audit engagement partner. In this way the audit engagement partner was able to obtain assurance the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations and the possibility of irregularities arising from fraud.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Management Committee and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COGNATUM ESTATES LIMITED**

### **Use of our report**

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 a Report of the Auditors 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.

Andrew Churchill Stone (Senior Statutory Auditor)  
for and on behalf of Mercer Lewin Ltd  
Chartered Accountants and Registered Auditors  
41 Cornmarket Street  
Oxford  
OX1 3HA

15 September 2022

**COGNATUM ESTATES LIMITED (REGISTERED NUMBER: 06671995)**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>TURNOVER</b>		1,200,787	1,073,160
Administrative expenses		<u>1,283,174</u>	<u>1,070,649</u>
<b>OPERATING (DEFICIT)/SURPLUS</b>	4	(82,387)	2,511
Interest receivable and similar income		<u>-</u>	<u>677</u>
<b>(DEFICIT)/SURPLUS BEFORE TAXATION</b>		(82,387)	3,188
Tax on (deficit)/surplus		<u>-</u>	<u>-</u>
<b>(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR</b>		<u>(82,387)</u>	<u>3,188</u>

The notes form part of these financial statements

**COGNATUM ESTATES LIMITED (REGISTERED NUMBER: 06671995)**

**BALANCE SHEET  
31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>FIXED ASSETS</b>					
Tangible assets	5		11,557		14,752
Investments	6		<u>10,226</u>		<u>12,583</u>
			21,783		27,335
<b>CURRENT ASSETS</b>					
Debtors	7	471,807		698,881	
Cash in hand	8	<u>43</u>		<u>43</u>	
		471,850		698,924	
<b>CREDITORS</b>					
Amounts falling due within one year	9	<u>354,525</u>		<u>483,744</u>	
<b>NET CURRENT ASSETS</b>			<u>117,325</u>		<u>215,180</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			139,108		242,515
<b>CREDITORS</b>					
Amounts falling due after more than one year	10		<u>116,730</u>		<u>137,750</u>
<b>NET ASSETS</b>			<u>22,378</u>		<u>104,765</u>
<b>RESERVES</b>					
Income and expenditure account			<u>22,378</u>		<u>104,765</u>
			22,378		104,765

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 14 September 2022 and were signed on its behalf by:

A W Matthews - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**1. STATUTORY INFORMATION**

Cognatum Estates Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**BASIS OF PREPARING THE FINANCIAL STATEMENTS**

The company's income is mainly derived from the management fee which it charges to residents on its managed estates. During 2021, it became evident to the board that this fee had become insufficient to support the company's cost base, and opportunities for generating other sources of income had become fewer. Along with a slow down in projected new developments (partly as a result of the pandemic), this led to losses in 2020 and 2021 which reduced the company's retained reserves considerably.

The board took a decision to increase management fees from 1 January 2022 to ensure that the management fee was able to meet fixed costs. In addition, related companies have entered into agreements securing future income streams which lead the board to be confident that all inter-company debts can be paid off within 2 years. Projections show that the company will be in an profit-generating position over the next two years.

Based on the above, the directors believe that it is appropriate to prepare accounts on the Going Concern basis.

**SIGNIFICANT JUDGEMENTS AND ESTIMATES**

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.

There are no judgements that are deemed to have had a significant effect on amounts recognised in the financial statements.

**TURNOVER**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**TANGIBLE FIXED ASSETS**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 20% on cost

**INVESTMENTS IN SUBSIDIARIES**

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

**TAXATION**

Taxation for the year comprises current tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**HIRE PURCHASE AND LEASING COMMITMENTS**

Rentals paid under operating leases are charged to surplus or deficit on a straight line basis over the period of the lease.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES - continued**

**PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 19 (2020 - 19 ) .

**4. OPERATING (DEFICIT)/SURPLUS**

The operating deficit (2020 - operating surplus) is stated after charging:

	2021 £	2020 £
Depreciation - owned assets	<u>13,821</u>	<u>11,893</u>

**5. TANGIBLE FIXED ASSETS**

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2021	25,575	4,574	154,867	185,016
Additions	-	456	10,170	10,626
At 31 December 2021	<u>25,575</u>	<u>5,030</u>	<u>165,037</u>	<u>195,642</u>
<b>DEPRECIATION</b>				
At 1 January 2021	25,575	3,328	141,361	170,264
Charge for year	-	404	13,417	13,821
At 31 December 2021	<u>25,575</u>	<u>3,732</u>	<u>154,778</u>	<u>184,085</u>
<b>NET BOOK VALUE</b>				
At 31 December 2021	<u>-</u>	<u>1,298</u>	<u>10,259</u>	<u>11,557</u>
At 31 December 2020	<u>-</u>	<u>1,246</u>	<u>13,506</u>	<u>14,752</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 6. FIXED ASSET INVESTMENTS

	Shares in group undertaking £
<b>COST</b>	
At 1 January 2021	59,790
Additions	12,003
At 31 December 2021	<u>71,793</u>
<b>PROVISIONS</b>	
At 1 January 2021	47,207
Provision for year	14,360
At 31 December 2021	<u>61,567</u>
<b>NET BOOK VALUE</b>	
At 31 December 2021	<u>10,226</u>
At 31 December 2020	<u>12,583</u>

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 some residual freehold interests in land.

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 which maintains and administers a private retirement estate on behalf of the owners of properties managed by the company.

The company owns 100% of the share capital (1 ordinary share of £1) of Blue Cedar Homes Management Company Ltd (BCHMC), a non-profit making company incorporated in England and Wales. Its principal activity is the management of retirement housing estates. In the year ended 31 December 2021, its income and expenditure were £649,079. Its result for the year and its capital and reserves were both nil.

The company is also the sole shareholder of Cognatum Projects Ltd, Cognatum Property Limited and Cognatum Services Ltd.

These companies' results for the year and their capital and reserves as at 31 December 2021 were as follows:

Cognatum Projects Ltd - Loss £29,695, Capital and Reserves: £(46,248).  
Cognatum Property Ltd - Loss £186,026, Capital and Reserves £(183,466)  
Cognatum Services Ltd - Loss £22,570, Capital and Reserves £(40,097).

## 7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	200,729	174,351
Amounts owed by group undertakings	223,633	330,116
Other debtors	<u>47,445</u>	<u>194,414</u>
	<u>471,807</u>	<u>698,881</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. CASH IN HAND**

In addition to cash shown in the balance sheet the company held funds of £2,259,956 (2020: £2,226,759) on behalf of the owners of developments managed by the company.

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Bank loans and overdrafts	227,612	427,675
Trade creditors	20,780	-
Taxation and social security	36,815	35,281
Other creditors	69,318	20,788
	<u>354,525</u>	<u>483,744</u>

**10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021	2020
	£	£
Bank loans	<u>116,730</u>	<u>137,750</u>



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