

COGNATUM ESTATES LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Page
Company Information	1
Chairman's Statement	2
Report of the Directors	3
Report of the Independent Auditors	5
Income Statement	9
Balance Sheet	10
Notes to the Financial Statements	11

COGNATUM ESTATES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS:

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

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 2020**

As Chairman of Cognatum, I look back upon 2020 as a year like no other. The pandemic has stretched our organisation in unprecedented ways; it has tested us and has shown us our strengths as well as exposed areas which have critical weaknesses.

I believe we have got the big things right. Although to even have one positive Covid infection is a disappointment, to have got through the pandemic with less than 40 positive cases out of a population of over 2,200 is testament to the hard work and dedication of our head office and estate teams. Of course, our residents have more than played their part with the vast majority supporting the efforts of our teams in helping to manage the pandemic within their local environments. With a few exceptions, we have managed to do all this whilst maintaining high quality of our gardens and estates.

Although turnover is down, mainly due to fluctuations of income from subsidiary commercial organisations, our cost of operating has also dropped enabling us to report on a modest surplus for the second year running. It should also be noted that the additional income from our commercial subsidiaries continues to subsidise the core managing fee income.

Running a not-for-profit organisation has its good points - we do not need to pay shareholders or owners a return; however, it does have its limitations. We have no pool of capital that we can dip into in order to meet unforeseen events or expenditure, or pay for new, badly needed system improvements. The work of the head office teams continues to be frustrated by our outdated finance and property management systems. As I reported last year, we are now fully committed to investing in a new information system, and the work to prepare for this significant project is underway.

I would like to thank all of our teams and our residents for their collective efforts in helping us get to where we are today; and a particular thanks to both our in house financial teams and those from our auditors, Mercer Lewin, for producing the 2020 financial accounts against the most challenging of circumstances.

A Matthews
29 September 2021

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

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

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 2020**

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

29 September 2021

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 2020 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 2020 and of its surplus 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. 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

30 September 2021

COGNATUM ESTATES LIMITED (REGISTERED NUMBER: 06671995)

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
TURNOVER		1,073,160	1,152,900
Administrative expenses		<u>1,070,649</u>	<u>1,119,430</u>
OPERATING SURPLUS	4	2,511	33,470
Interest receivable and similar income		<u>677</u>	<u>43</u>
		3,188	33,513
Amounts written off investments		<u>-</u>	<u>11,646</u>
SURPLUS BEFORE TAXATION		3,188	21,867
Tax on surplus		<u>-</u>	<u>8</u>
SURPLUS FOR THE FINANCIAL YEAR		<u>3,188</u>	<u>21,859</u>

The notes form part of these financial statements

COGNATUM ESTATES LIMITED (REGISTERED NUMBER: 06671995)

**BALANCE SHEET
31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Tangible assets	5		14,752		23,408
Investments	6		<u>12,583</u>		<u>24,541</u>
			27,335		47,949
CURRENT ASSETS					
Debtors	7	698,881		333,670	
Cash at bank and in hand		<u>43</u>		<u>39,964</u>	
		698,924		373,634	
CREDITORS					
Amounts falling due within one year	8	<u>483,744</u>		<u>320,006</u>	
NET CURRENT ASSETS			215,180		53,628
TOTAL ASSETS LESS CURRENT LIABILITIES			242,515		101,577
CREDITORS					
Amounts falling due after more than one year	9		<u>137,750</u>		-
NET ASSETS			<u>104,765</u>		<u>101,577</u>
RESERVES					
Income and expenditure account			<u>104,765</u>		<u>101,577</u>

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 29 September 2021 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 2020**

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

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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.

INVESTMENTS IN SUBSIDIARIES

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

TAXATION

Taxation for the year comprises current and deferred 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 or deferred 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.

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

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.

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 (2019 - 19) .

4. OPERATING SURPLUS

The operating surplus is stated after charging:

	2020 £	2019 £
Depreciation - owned assets	<u>11,893</u>	<u>14,333</u>

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2020	25,575	156,204	181,779
Additions	-	3,237	3,237
At 31 December 2020	<u>25,575</u>	<u>159,441</u>	<u>185,016</u>
DEPRECIATION			
At 1 January 2020	25,575	132,796	158,371
Charge for year	-	11,893	11,893
At 31 December 2020	<u>25,575</u>	<u>144,689</u>	<u>170,264</u>
NET BOOK VALUE			
At 31 December 2020	-	14,752	14,752
At 31 December 2019	-	23,408	23,408

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

6. FIXED ASSET INVESTMENTS

	Shares in group undertaking £
COST	
At 1 January 2020	
and 31 December 2020	<u>59,790</u>
PROVISIONS	
At 1 January 2020	35,249
Provision for year	<u>11,958</u>
At 31 December 2020	<u>47,207</u>
NET BOOK VALUE	
At 31 December 2020	<u>12,583</u>
At 31 December 2019	<u>24,541</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 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 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 2019, its income and expenditure were £509,713. Its result for the year and its capital and reserves were both nil.

The company is also the sole shareholder of Cognatum Projects Ltd and Cogntaum Services Ltd. Both companies incurred deficits during 2019, of £7,272 and £16,071 respectively. The share capital and reserves of these companies are deficits, as noted above,

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	174,351	19,822
Amounts owed by group undertakings	330,116	-
Other debtors	<u>194,414</u>	<u>313,848</u>
	<u>698,881</u>	<u>333,670</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts	427,675	-
Trade creditors	-	50
Taxation and social security	35,281	40,619
Other creditors	20,788	279,337
	<u>483,744</u>	<u>320,006</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans	<u>137,750</u>	<u>-</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.