

# Sable Cottage Limited

Annual Report and Unaudited Financial Statements  
for the Period from 1 April 2018 to 31 December 2018

Kells Accounting Limited  
Chartered Certified Accountants  
68 Livingstone Road  
Kings Heath  
Birmingham  
B14 6DN

# **Sable Cottage Limited**

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## **Sable Cottage Limited**

### **Company Information**

<b>Directors</b>	Mr A K Patel Mr S A Patel
<b>Registered office</b>	1 Glanville Drive Sutton Coldfield West Midlands B75 5HW
<b>Bankers</b>	Royal Bank of Scotland 79/83 Colmore Row Birmingham B3 2AP
<b>Accountants</b>	Kells Accounting Limited Chartered Certified Accountants 68 Livingstone Road Kings Heath Birmingham B14 6DN

**Chartered Certified Accountants' Report to the Board of Directors on the Preparation of the  
Unaudited Statutory Accounts of  
Sable Cottage Limited  
for the Period Ended 31 December 2018**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Sable Cottage Limited for the period ended 31 December 2018 as set out on pages 3 to 12 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://www.accaglobal.com/gb/en/discover/public-value/rulebook.html>.

This report is made solely to the Board of Directors of Sable Cottage Limited, as a body, in accordance with the terms of our engagement letter dated 20 April 2017. Our work has been undertaken solely to prepare for your approval the accounts of Sable Cottage Limited and state those matters that we have agreed to state to the Board of Directors of Sable Cottage Limited, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at <http://www.accaglobal.com/gb/en/technicalactivities/technical-resources-search/2009/october/factsheet-163-audit-exempt-companies.html>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sable Cottage Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Sable Cottage Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Sable Cottage Limited. You consider that Sable Cottage Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the accounts of Sable Cottage 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 accounts.

.....  
Kells Accounting Limited  
Chartered Certified Accountants  
68 Livingstone Road  
Kings Heath  
Birmingham  
B14 6DN

5 September 2019

**Sable Cottage Limited**  
**(Registration number: 07014039)**  
**Balance Sheet as at 31 December 2018**

	Note	31 December 2018 £	31 March 2018 £
<b>Fixed assets</b>			
Intangible assets	<u>4</u>	33,594	53,750
Tangible assets	<u>5</u>	1,886,227	1,902,078
		<u>1,919,821</u>	<u>1,955,828</u>
<b>Current assets</b>			
Stocks	<u>6</u>	2,500	2,500
Debtors	<u>7</u>	136,122	92,981
Cash at bank and in hand		243,475	200,968
		382,097	296,449
<b>Creditors: Amounts falling due within one year</b>	<u>8</u>	(534,244)	(425,013)
<b>Net current liabilities</b>		<u>(152,147)</u>	<u>(128,564)</u>
<b>Total assets less current liabilities</b>		1,767,674	1,827,264
<b>Creditors: Amounts falling due after more than one year</b>	<u>8</u>	(1,045,063)	(1,105,430)
<b>Provisions for liabilities</b>		<u>(121,146)</u>	<u>(120,319)</u>
<b>Net assets</b>		<u>601,465</u>	<u>601,515</u>
<b>Capital and reserves</b>			
Called up share capital	<u>9</u>	100	100
Revaluation reserve		601,324	601,324
Profit and loss account		41	91
<b>Total equity</b>		<u>601,465</u>	<u>601,515</u>

For the financial period ending 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Directors' Report or the Profit and Loss Account has been taken.

Approved and authorised by the Board on 27 August 2019 and signed on its behalf by:

The notes on pages 5 to 12 form an integral part of these financial statements.

**Sable Cottage Limited**

**(Registration number: 07014039)**

**Balance Sheet as at 31 December 2018 (continued)**

.....  
Mr S A Patel  
Director

The notes on pages 5 to 12 form an integral part of these financial statements.  
Page 4

# **Sable Cottage Limited**

## **Notes to the Financial Statements for the Period from 1 April 2018 to 31 December 2018**

### **1 General information**

The company is a private company limited by share capital, incorporated in England & Wales. The company's registration number is 07014039.

The address of its registered office is:

1 Glanville Drive  
Sutton Coldfield  
West Midlands  
B75 5HW

The principal place of business is:

Chester Road  
Kelsall  
Tarporeley  
Chester  
CW6 0RZ

These financial statements were authorised for issue by the Board on 27 August 2019.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the provision of care services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the company's activities.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

## **Sable Cottage Limited**

### **Notes to the Financial Statements for the Period from 1 April 2018 to 31 December 2018 (continued)**

#### **2 Accounting policies (continued)**

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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference, except for revalued land and development property where the tax rate that applies to the sale of the asset is used.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Fixtures, fittings and equipment	20% straight line
Land and buildings	2% straight line

#### **Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	10% straight line

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from clients for care services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.



## **Sable Cottage Limited**

### **Notes to the Financial Statements for the Period from 1 April 2018 to 31 December 2018 (continued)**

#### **2 Accounting policies (continued)**

##### **Stocks**

Stock is food and cleaning products and is stated at cost.

##### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

##### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

##### **Financial instruments**

###### *Trade debtors*

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

## **Sable Cottage Limited**

### **Notes to the Financial Statements for the Period from 1 April 2018 to 31 December 2018 (continued)**

#### **2 Accounting policies (continued)**

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

##### *Financial liabilities and equity*

Financial instruments are classified as liabilities and equity instruments 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 Company after deducting all of its liabilities.

##### *Trade creditors*

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

##### *Borrowings*

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Commitments to receive a loan are measured at cost less impairment.

##### *Derecognition of financial assets and liabilities*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

#### **3 Staff numbers**

The average number of persons employed (including directors) during the period was 34 (March 2018 - 34).

## Sable Cottage Limited

### Notes to the Financial Statements for the Period from 1 April 2018 to 31 December 2018 (continued)

#### 4 Intangible assets

	Goodwill £	Total £
<b>Cost or valuation</b>		
At 1 April 2018	268,750	268,750
At 31 December 2018	268,750	268,750
<b>Amortisation</b>		
At 1 April 2018	215,000	215,000
Amortisation charge	20,156	20,156
At 31 December 2018	235,156	235,156
<b>Carrying amount</b>		
At 31 December 2018	33,594	33,594
At 31 March 2018	53,750	53,750

#### 5 Tangible assets

	Land and buildings £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 April 2018	1,736,609	655,402	2,392,011
Additions	-	2,000	2,000
At 31 December 2018	1,736,609	657,402	2,394,011
<b>Depreciation</b>			
At 1 April 2018	26,049	463,884	489,933
Charge for the period	6,512	11,339	17,851
At 31 December 2018	32,561	475,223	507,784
<b>Carrying amount</b>			
At 31 December 2018	1,704,048	182,179	1,886,227
At 31 March 2018	1,710,560	191,518	1,902,078

Included within the net book value of land and buildings above is £1,704,048 (March 2018 - £1,710,560) in respect of freehold land and buildings.



# Sable Cottage Limited

## Notes to the Financial Statements for the Period from 1 April 2018 to 31 December 2018 (continued)

### 5 Tangible assets (continued)

#### Revaluation

The fair value of the company's land and buildings was revalued on 31 March 2015. An independent valuer was not involved. The property was valued by the directors at the accounting period end based on similar properties in the area. Had this class of asset been measured on a historical cost basis, the carrying amount would have been £974,878 (March 2018 - £984,959).

### 6 Stocks

	31 December 2018 £	31 March 2018 £
Food and cleaning products	2,500	2,500

### 7 Debtors

	31 December 2018 £	31 March 2018 £
Trade debtors	115,249	73,773
Other debtors	1,700	-
Prepayments	19,173	19,208
Total current trade and other debtors	136,122	92,981

### 8 Creditors

#### Creditors: amounts falling due within one year

	Note	31 December 2018 £	31 March 2018 £
Loans and borrowings	8.1	413,324	347,909
Trade creditors		85,732	44,289
Taxation and social security		9,984	8,907
Other creditors		1,068	-
Accrued expenses		15,786	22,017
Corporation tax liability		8,350	1,891
		534,244	425,013

#### Creditors: amounts falling due after more than one year

	Note	31 December 2018 £	31 March 2018 £
Loans and borrowings	8.1	1,045,063	1,105,430

# Sable Cottage Limited

## Notes to the Financial Statements for the Period from 1 April 2018 to 31 December 2018 (continued)

### 8 Creditors (continued)

#### 8.1 Loans and borrowings

	31 December 2018 £	31 March 2018 £
<b>Current loans and borrowings</b>		
Bank borrowings	77,000	65,562
Loans from directors	93,412	38,123
Other loans - under one year	242,912	244,224
	<u>413,324</u>	<u>347,909</u>

	31 December 2018 £	31 March 2018 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	<u>1,045,063</u>	<u>1,105,430</u>

#### Bank borrowings

Cross company guarantee is denominated in £GBP with a nominal interest rate of 3.93%, and the final instalment is due on 27 May 2020. The carrying amount at the period end is £1,122,063 (March 2018 - £1,170,992).

The bank loan is secured by a 1st Legal Charge over the freehold properties of The Seymour Home Limited and Sable Cottage Limited, and by a debenture over all of the assets of both companies. There are unlimited cross guarantees between The Seymour Home Limited and Sable Cottage Limited in respect of bank loans.

### 9 Share capital

#### Allotted, called up and fully paid shares

	31 December 2018		31 March 2018	
	No.	£	No.	£
Ordinary share of £1 each	100	100	100	100

#### Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

Holders of the ordinary share capital have a right to vote and receive dividends.

# Sable Cottage Limited

## Notes to the Financial Statements for the Period from 1 April 2018 to 31 December 2018 (continued)

### 10 Dividends

#### Final dividends paid

	31 December 2018 £	31 March 2018 £
Final dividend of £340.00 (March 2018 - £190.00) per each Ordinary share	34,000	19,000

### 11 Financial commitments, guarantees and contingencies

#### Amounts not provided for in the balance sheet

The total amount of contingencies not included in the balance sheet at 31 December 2018 is £404,321 (31 March 2018 - £430,579). The company has unlimited cross guarantee against bank loans with its associate, The Seymour Home Limited

### 12 Related party transactions

#### Summary of transactions with associates

The Seymour Home Limited

During the year Sable Cottage Limited made one payment on behalf of The Seymour Home Limited amounting to £1,312.

The balance due from Sable Cottage Limited to The Seymour Home Limited at 31 December 2018 was £242,912 (31 March 2018 £244,224).

#### Loans from related parties

	Associates £
<b>31st December 2018</b>	
At start of period	244,224
Repaid	(1,312)
At end of period	242,912
<b>31st March 2018</b>	
At start of period	307,191
Advanced	800
Repaid	(63,767)
At end of period	244,224