

Sable Cottage Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2019

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

Sable Cottage Limited

Contents

| | |
|-----------------------------------|-----------------------|
| Company Information | <u>1</u> |
| Balance Sheet | <u>2</u> |
| Notes to the Financial Statements | <u>3</u> to <u>10</u> |

Sable Cottage Limited

Company Information

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

Sable Cottage Limited

(Registration number: 07014039)
Balance Sheet as at 31 December 2019

| | Note | 31 December 2019 £ | 31 December 2018 £ |
|--|----------|--------------------------|--------------------------|
| Fixed assets | | | |
| Intangible assets | <u>4</u> | 6,719 | 33,594 |
| Tangible assets | <u>5</u> | 1,863,795 | 1,886,227 |
| | | <u>1,870,514</u> | <u>1,919,821</u> |
| Current assets | | | |
| Stocks | <u>6</u> | 2,750 | 2,500 |
| Debtors | <u>7</u> | 116,798 | 136,122 |
| Cash at bank and in hand | | 119,425 | 243,475 |
| | | 238,973 | 382,097 |
| Creditors: Amounts falling due within one year | <u>8</u> | (399,132) | (534,244) |
| Net current liabilities | | <u>(160,159)</u> | <u>(152,147)</u> |
| Total assets less current liabilities | | 1,710,355 | 1,767,674 |
| Creditors: Amounts falling due after more than one year | <u>8</u> | (987,494) | (1,045,063) |
| Provisions for liabilities | | <u>(121,417)</u> | <u>(121,146)</u> |
| Net assets | | <u>601,444</u> | <u>601,465</u> |
| Capital and reserves | | | |
| Called up share capital | <u>9</u> | 100 | 100 |
| Revaluation reserve | | 601,324 | 601,324 |
| Profit and loss account | | 20 | 41 |
| Total equity | | <u>601,444</u> | <u>601,465</u> |

For the financial year ending 31 December 2019 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 year 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 19 August 2020 and signed on its behalf by:

.....

Mr S A Patel

Director

The notes on pages 3 to 10 form an integral part of these financial statements.

Page 2

Sable Cottage Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

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 19 August 2020.

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.

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.

Sable Cottage Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

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:

| Asset class | Depreciation method and rate |
|----------------------------------|------------------------------|
| 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:

| Asset class | Amortisation method and rate |
|-------------|------------------------------|
| 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.

Stocks

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

Sable Cottage Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

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.

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.

Sable Cottage Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

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 year was 35 (2018 - 34).

Sable Cottage Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

4 Intangible assets

| | Goodwill £ | Total £ |
|--------------------------|---------------|------------|
| Cost or valuation | | |
| At 1 January 2019 | 268,750 | 268,750 |
| At 31 December 2019 | 268,750 | 268,750 |
| Amortisation | | |
| At 1 January 2019 | 235,156 | 235,156 |
| Amortisation charge | 26,875 | 26,875 |
| At 31 December 2019 | 262,031 | 262,031 |
| Carrying amount | | |
| At 31 December 2019 | 6,719 | 6,719 |
| At 31 December 2018 | 33,594 | 33,594 |

5 Tangible assets

| | Land and buildings £ | Fixtures and fittings £ | Total £ |
|--------------------------|----------------------------|-------------------------------|------------|
| Cost or valuation | | | |
| At 1 January 2019 | 1,736,609 | 657,402 | 2,394,011 |
| At 31 December 2019 | 1,736,609 | 657,402 | 2,394,011 |
| Depreciation | | | |
| At 1 January 2019 | 32,561 | 475,223 | 507,784 |
| Charge for the year | 8,683 | 13,749 | 22,432 |
| At 31 December 2019 | 41,244 | 488,972 | 530,216 |
| Carrying amount | | | |
| At 31 December 2019 | 1,695,365 | 168,430 | 1,863,795 |
| At 31 December 2018 | 1,704,048 | 182,179 | 1,886,227 |

Included within the net book value of land and buildings above is £1,695,365 (2018 - £1,704,048) in respect of freehold land and buildings.

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 £961,436 (2018 - £974,878).

Sable Cottage Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

6 Stocks

| | 31 December 2019 £ | 31 December 2018 £ |
|----------------------------|--------------------------|--------------------------|
| Food and cleaning products | 2,750 | 2,500 |

7 Debtors

| | 31 December 2019 £ | 31 December 2018 £ |
|---------------------------------------|--------------------------|--------------------------|
| Trade debtors | 97,075 | 115,249 |
| Other debtors | 2,000 | 1,700 |
| Prepayments | 17,723 | 19,173 |
| Total current trade and other debtors | 116,798 | 136,122 |

8 Creditors

Creditors: amounts falling due within one year

| | Note | 31 December 2019 £ | 31 December 2018 £ |
|------------------------------|------|--------------------------|--------------------------|
| Loans and borrowings | 8.1 | 322,099 | 413,324 |
| Trade creditors | | 48,753 | 85,732 |
| Taxation and social security | | 6,182 | 9,984 |
| Other creditors | | 2,180 | 1,068 |
| Accrued expenses | | 15,786 | 15,786 |
| Corporation tax liability | | 4,132 | 8,350 |
| | | 399,132 | 534,244 |

Creditors: amounts falling due after more than one year

| | Note | 31 December 2019 £ | 31 December 2018 £ |
|----------------------|------|--------------------------|--------------------------|
| Loans and borrowings | 8.1 | 987,494 | 1,045,063 |

8.1 Loans and borrowings

| | 31 December 2019 £ | 31 December 2018 £ |
|-------------------------------------|--------------------------|--------------------------|
| Current loans and borrowings | | |
| Bank borrowings | 68,000 | 77,000 |
| Loans from directors | 111,379 | 93,412 |
| Other loans - under one year | 142,720 | 242,912 |
| | 322,099 | 413,324 |

Sable Cottage Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

8 Creditors (continued)

8.1 Loans and borrowings (continued)

| | 31 December 2019 £ | 31 December 2018 £ |
|---|--------------------------|--------------------------|
| Non-current loans and borrowings | | |
| Bank borrowings | 987,494 | 1,045,063 |

Bank borrowings

The carrying amount of Bank borrowings at the year end is £1,055,494 (2018 - £1,122,063).

There is a fixed charge over the assets of the company in favour of Royal Bank of Scotland.

9 Share capital

Allotted, called up and fully paid shares

| | 31 December 2019 | | 31 December 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.

10 Dividends

Final dividends paid

| | 31 December 2019 £ | 31 December 2018 £ |
|--|--------------------------|--------------------------|
| Final dividend of £100 (2018 - £340) per each Ordinary share | 10,000 | 34,000 |

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 2019 is £381,173 (2018 - £404,321). There is a cross guarantee over the assets of the company in favour of The Seymour Home Ltd.

Sable Cottage Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

12 Related party transactions

Summary of transactions with all associates

During the year Sable Cottage Limited made one payment on behalf of The Seymour Home Limited amounting to £192 and also made two payments of £50,000 each to The Seymour Homes Limited as part payment of the outstanding loan.

The balance due from Sable Cottage Limited to The Seymour Home Limited at 31 December 2019 was £142,720 (2018 £242,912).

Loans from related parties

| | Associates £ |
|---------------------------|-----------------------|
| 31st December 2019 | |
| At start of period | 242,912 |
| Repaid | <u>(100,192)</u> |
| At end of period | <u><u>142,720</u></u> |
| | |
| | Associates £ |
| 31st March 2018 | |
| At start of period | 244,224 |
| Repaid | <u>(1,312)</u> |
| At end of period | <u><u>242,912</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.