

J. Hutchinson Holdings Limited

Report and Unaudited Financial Statements

Year Ended

31 July 2016

Company Number 161678

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J. Hutchinson Holdings Limited

Report and unaudited financial statements for the year ended 31 July 2016

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Directors

M E Charnaud
J Charnaud

Company number

161678

Secretary and registered office

J Charnaud, 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA

Accountants

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA

J. Hutchinson Holdings Limited

Report of the directors for the year ended 31 July 2016

The directors present their report together with the financial statements for the year ended 31 July 2016.

Results

The statement of comprehensive income is set out on page 3 and shows the profit for the year.

No interim dividends were paid during the year (2015 - £Nil). The directors do not recommend the payment of a final dividend for the year under review.

Principal activities

Throughout the year the activities of the company continued to relate to property owning and letting.

The results for the year meet expectations and the directors anticipate that similar results should be achieved in future years.

Fixed assets

The investment property was professionally valued on 12 May 2017 at £3,100,000. The directors have adopted this value at the balance sheet date. Further details are set out at note 7 to the financial statements.

Directors

The directors who served during the year were:

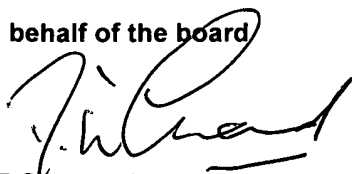
M E Charnaud
J Charnaud

M E Charnaud retires from the Board in accordance with the Articles of Association and, being eligible, offers himself for re-election.

Small companies' provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the board



M E Charnaud
Director

Date: 13 September 2017

J. Hutchinson Holdings Limited

Accountant's Report on the Unaudited Financial Statements

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF J. HUTCHINSON HOLDINGS LIMITED FOR THE YEAR ENDED 31 JULY 2016

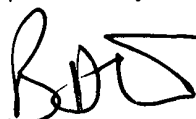
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of J. Hutchinson Holdings Limited for the year ended 31 July 2016 which comprise of the statement of comprehensive income, the balance sheet and related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants of England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the board of directors of J. Hutchinson Holdings Limited, as a body, in accordance with the terms of our engagement letter dated 13 September 2017. Our work has been undertaken solely to prepare for your approval the accounts of J. Hutchinson Holdings Limited and state those matters that we have agreed to state to the board of directors of the company, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than J. Hutchinson Holdings Limited and its board of directors as a body for our work or for this report.

It is your duty to ensure that J. Hutchinson Holdings 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 J. Hutchinson Holdings Limited. You consider that J. Hutchinson Holdings Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of J. Hutchinson Holdings Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given us and we do not, therefore, express any opinion on the statutory accounts.



*BDO LLP
Chartered Accountants
Gatwick
United Kingdom*

Date: 13 September 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

J. Hutchinson Holdings Limited

Statement of comprehensive income for the year ended 31 July 2016

	Note	2016 £	2015 £
Turnover	4	203,768	211,380
Administrative expenses		(8,024)	(19,515)
Surplus on revaluation of investment properties	7	814,000	-
Profit on ordinary activities before taxation		1,009,744	191,865
Taxation on profit on ordinary activities	5	(152,607)	(19,909)
Profit on ordinary activities after taxation and total comprehensive income for the year		857,137	171,956

All amounts relate to continuing activities.

The notes on pages 5 to 9 form part of these financial statements.

J. Hutchinson Holdings Limited

Balance sheet at 31 July 2016

Company number 161678	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Investment properties	7		3,100,000		2,286,000
Current assets					
Debtors	8	715,168		554,389	
Creditors: amounts falling due within one year	9	39,100		37,458	
Net current assets			676,068		516,931
Total assets less current liabilities			3,776,068		2,802,931
Provisions	10		387,000		271,000
Net assets			3,389,068		2,531,931
Capital and reserves					
Called up share capital	11		4,100		4,100
Retained earnings	12		3,384,968		2,527,831
Equity shareholders' funds			3,389,068		2,531,931

For the year ended 31 July 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These 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 13 September 2017.


M E Charnaud
Director

The notes on pages 5 to 9 form part of these financial statements.

J. Hutchinson Holdings Limited

Notes forming part of the financial statements for the year ended 31 July 2016

1 General information

J. Hutchinson Holdings Limited is a company incorporated in England and Wales under the Companies Act 2006. The principal activity is set out within the directors' report and the address of the registered office is given on the contents page.

2 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards, specifically Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), including the early adoption of the Section 1A small entities amendments which ordinarily come into effect for accounting periods beginning on or after 1 January 2016. Information on the first-time adoption of Section 1A Small Entities in FRS 102 is given in note 15.

The financial statements have been prepared on a historical cost basis except that investments are carried at fair value.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

Turnover

Turnover represents rental income receivable on the letting of the freehold property. Rental income from operating leases is recognised on a straight line basis over the lease term. When the company provides incentives to its tenants, where material the cost is recognised evenly over the lease term as an adjustment to rental income.

Investment properties

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit and loss.

Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand and other debtors and other creditors are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have arisen but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

J. Hutchinson Holdings Limited

Notes forming part of the financial statements for the year ended 31 July 2016 (continued)

3 Judgments in applying accounting policies and key sources of estimation uncertainty

Accounting policies which have a significant bearing on the reported financial condition and results of the company may require subjective or complex judgements. The principal on-going area of judgement is the investment property valuation where the opinion of the directors has been obtained at each reporting date using a yield methodology valuation technique. The key input to the valuations at 31 July 2016 was the market capitalisation rate of 7.8%.

Deferred taxation is directly and indirectly impacted by the estimation uncertainty arising within the investment property valuation through the timing difference that exists between the valuation and the tax base cost of the property and the March 1982 valuation is also utilised in arriving at the tax base cost of the property.

4 Turnover

Turnover arises solely within the United Kingdom.

5 Taxation on profit on ordinary activities

	2016 £	2015 £
<i>UK Corporation tax</i>		
Current tax on profit of the year	36,600	35,200
Adjustment in respect of previous periods	7	(291)
	<hr/>	<hr/>
Total current tax charge	36,607	34,909
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 10)	116,000	(15,000)
	<hr/>	<hr/>
Total tax charge	152,607	19,909
	<hr/>	<hr/>

The tax assessed for the year varies from the standard rate of corporation tax in the UK. The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	1,009,744	191,865
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.00% (2015 – 20.67%)	201,949	39,650
Effect of:		
Losses surrendered by group undertaking	(2,586)	(3,487)
Marginal relief	-	(956)
Indexation allowance	(3,486)	(1,949)
Change in deferred tax rate	(43,314)	(13,051)
Other items	37	(7)
Adjustment to tax charge in respect of previous periods	7	(291)
	<hr/>	<hr/>
Tax charge for the year	152,607	19,909
	<hr/>	<hr/>

J. Hutchinson Holdings Limited

Notes forming part of the financial statements for the year ended 31 July 2016 (continued)

6 Directors' remuneration

There were no employees, other than the directors, in either this or the previous years. The directors received no remuneration from the company for their services.

7 Investment properties

	Freehold properties £
<i>At valuation</i>	
At 1 August 2015	2,286,000
Revaluation in the year	814,000
	<hr/>
At 31 July 2016	3,100,000
	<hr/>

The historical cost of freehold property is:

	2016 £	2015 £
Cost	202,556	202,556
	<hr/>	<hr/>

The freehold property was valued by an independent RICS qualified valuer on 12 May 2017. The valuation was an open market valuation on an existing use basis. The directors are of the opinion that the market value of the property at 31 July 2016 was not materially different from this valuation and have therefore adopted the professional valuation of £3,100,000 at the balance sheet date.

8 Debtors

	2016 £	2015 £
Amounts owed by group undertakings	715,168	554,389
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

9 Creditors: amounts falling due within one year

	2016 £	2015 £
Corporation tax	36,600	35,200
Accruals and deferred income	2,500	2,258
	<hr/>	<hr/>
	39,100	37,458
	<hr/>	<hr/>

J. Hutchinson Holdings Limited

Notes forming part of the financial statements
for the year ended 31 July 2016 (*continued*)

10 Provisions

	Deferred taxation £
At 1 August 2015	271,000
Charged to profit and loss account (note 5)	116,000
	<hr/>
At 31 July 2016	387,000
	<hr/>

The deferred tax liability consists of:

	2016 £	2015 £
Inherent capital gains on investment properties carried at valuation calculated at 18% (2015 – 20%).	387,000	271,000
	<hr/>	<hr/>

11 Share capital

	Authorised 2016 £	2015 £	Allotted called up and fully paid 2016 £	2015 £
<i>Equity share capital</i>				
2,000 ordinary shares of £1 each	2,000	2,000	2,000	2,000
2,100 4.2% cumulative preference shares of £1 each	2,100	2,100	2,100	2,100
	<hr/>	<hr/>	<hr/>	<hr/>
	4,100	4,100	4,100	4,100
	<hr/>	<hr/>	<hr/>	<hr/>

No dividend has been paid on the 4.2% cumulative preference shares of £1 each since 31 October 1973.

12 Retained earnings

	Revaluation reserve £	Profit and loss reserve £	Total £
At 1 August 2015	1,812,444	715,387	2,527,831
Profit for the year	-	159,137	159,137
Revaluation of property (net of deferred tax)	698,000	-	698,000
	<hr/>	<hr/>	<hr/>
At 31 July 2016	2,510,444	874,524	3,384,968
	<hr/>	<hr/>	<hr/>

J. Hutchinson Holdings Limited

Notes forming part of the financial statements for the year ended 31 July 2016 (continued)

13 Commitments under operating leases

As at 31 July 2016, the company had total commitments under non-cancellable operating leases as set out below:

	Land and buildings 2016 £	Land and Buildings 2015 £
Minimum rents receivable:		
Within one year	238,500	238,500
Between two and five years	899,625	909,000
After more than five years	489,000	718,125
	<u>1,627,125</u>	<u>1,865,625</u>

14 Ultimate parent company and parent undertaking of larger group

The parent company is M.E. Charnaud & Sons Limited, a company registered in England. This company is controlled by the directors of J. Hutchinson Holdings Limited.

15 First time adoption of FRS 102

	Note	Equity as at 1 August 2014 £	Profit for the year ended 31 July 2015 £	Equity as at 31 July 2015 £
As previously stated under former UK GAAP		2,645,975	156,956	2,802,931
Transitional adjustments				
Deferred tax on property at revaluation	a	(286,000)	15,000	(271,000)
As stated in accordance with FRS 102		<u>2,359,975</u>	<u>171,956</u>	<u>2,531,931</u>

Explanation of changes to previously reported profit and equity

- Deferred tax balances in relation to the inherent capital gains or losses arising from property carried at revaluation are recognised under FRS 102. Under previous UK GAAP this deferred tax was unprovided. This change has decreased the reported profit for the year ended 31 July 2015 and decreased the company's equity at both 31 July 2014 and 31 July 2015.