

Bluenotch Limited

Annual Report and Unaudited Financial Statements

For the year ended 31 July 2018

Company Registration No. 01124571 (England and Wales)

Bluenotch Limited

Company Information

Director	D. W. Dove
Company number	01124571
Registered office	Betchworth House 57-65 Station Road Redhill Surrey RH1 1DL
Accountants	Kingston Smith LLP Betchworth House 57-65 Station Road Redhill Surrey RH1 1DL

Bluenotch Limited

Director's Report

For the year ended 31 July 2018

The director presents his annual report and financial statements for the year ended 31 July 2018.

Principal activities

The principal activity of the company throughout the year was that of investment property ownership and rental.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

D. W. Dove

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

D. W. Dove

Director

29 November 2018

Bluenotch Limited

Chartered Accountants' Report to the Director on the preparation of the Unaudited Statutory Financial Statements of Bluenotch Limited for the year ended 31 July 2018

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Bluenotch Limited for the year ended 31 July 2018 which comprise the Profit And Loss Account, the Balance Sheet, the Statement of Changes in Equity and the 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 in 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 Bluenotch Limited, as a body, in accordance with the terms of our engagement letter dated 19 April 2016. Our work has been undertaken solely to prepare for your approval the financial statements of Bluenotch Limited and state those matters that we have agreed to state to the Board of Directors of Bluenotch Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bluenotch Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Bluenotch Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Bluenotch Limited. You consider that Bluenotch 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 financial statements of Bluenotch 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 financial statements.

Kingston Smith LLP

3 December 2018

Chartered Accountants

Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL

Bluenotch Limited

Profit and Loss Account

For the year ended 31 July 2018

	2018 £	2017 £
Turnover	333,742	316,659
Administrative expenses	(64,606)	(92,282)
Other operating income	30,784	35,529
Profit on disposal of investment property	8,325	99,058
Operating profit	308,245	358,964
Interest receivable and similar income	2,030	1,683
Interest payable and similar expenses	(473)	-
Increase in fair value of investment property	-	2,160,054
Profit before taxation	309,802	2,520,701
Taxation	4 (54,734)	(408,306)
Profit for the financial year	255,068	2,112,395

Bluenotch Limited

Balance Sheet

As at 31 July 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	5	39,578		4,708	
Investment properties	6	6,367,000		6,619,000	
		<u>6,406,578</u>		<u>6,623,708</u>	
Current assets					
Debtors	7	51,337		46,128	
Cash at bank and in hand		1,308,326		1,320,945	
		<u>1,359,663</u>		<u>1,367,073</u>	
Creditors: amounts falling due within one year	8	<u>(123,709)</u>		<u>(98,188)</u>	
Net current assets		<u>1,235,954</u>		<u>1,268,885</u>	
Total assets less current liabilities		<u>7,642,532</u>		<u>7,892,593</u>	
Creditors: amounts falling due after more than one year	9	(29,967)		-	
Provisions for liabilities	10	<u>(476,130)</u>		<u>(511,226)</u>	
Net assets		<u><u>7,136,435</u></u>		<u><u>7,381,367</u></u>	
Capital and reserves					
Called up share capital	11	100		100	
Revaluation reserve		2,808,847		3,002,811	
Profit and loss reserves		<u>4,327,488</u>		<u>4,378,456</u>	
Total equity		<u><u>7,136,435</u></u>		<u><u>7,381,367</u></u>	

For the financial year ended 31 July 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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.

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

Bluenotch Limited

Balance Sheet (Continued)

As at 31 July 2018

The financial statements were approved and signed by the director and authorised for issue on 29 November 2018

D. W. Dove
Director

Company Registration No. 01124571

Bluenotch Limited

Statement of Changes in Equity

For the year ended 31 July 2018

	Share capital	Revaluation reserves	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 August 2016	100	1,245,581	4,023,291	5,268,972
Year ended 31 July 2017:				
Profit and total comprehensive income for the year	-	-	2,112,395	2,112,395
Transfer of unrealised fair value gains on investment property	-	2,168,430	(2,168,430)	-
Transfer of fair value gains on investment property disposals	-	(67,381)	67,381	-
Transfer of movement on deferred tax provision	-	(343,819)	343,819	-
Balance at 31 July 2017	100	3,002,811	4,378,456	7,381,367
Year ended 31 July 2018:				
Profit and total comprehensive income for the year	-	-	255,068	255,068
Dividends	-	-	(500,000)	(500,000)
Transfer of fair value gains on investment property disposals	-	(229,060)	229,060	-
Transfer of movement on deferred tax provision	-	35,096	(35,096)	-
Balance at 31 July 2018	100	2,808,847	4,327,488	7,136,435

Bluenotch Limited

Notes to the Financial Statements

For the year ended 31 July 2018

1 Accounting policies

Company information

Bluenotch Limited is a private company limited by shares incorporated in England and Wales. The registered office is Betchworth House, 57-65 Station Road, Redhill, Surrey, RH1 1DL.

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents rent receivable net of VAT.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Other fixed assets	25% per annum on reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Although this accounting policy is in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), it is a departure from the general requirements of the Companies Act 2006 for all tangible fixed assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.5 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Bluenotch Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2018

1 Accounting policies

(Continued)

1.6 Financial instruments

The company only has financial instruments classified as basic and measured at amortised cost. The company has no financial instruments that are classified as 'other' or financial instruments measured at fair value.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Bluenotch Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2018

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of investment properties

The investment properties owned by the company have been revalued as at 31 July 2018 by the director on a fair value basis.

3 Employees

The average monthly number of persons (including director) employed by the company during the year was 1 (2017: 1).

4 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	89,830	64,487
Deferred tax		
Deferred tax on unrealised fair value gains on investment property	(35,096)	343,819
Total tax charge	54,734	408,306

Bluenotch Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2018

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 August 2017	26,449
Additions	42,884
Disposals	(26,449)
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At 31 July 2018	42,884
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Depreciation and impairment	
At 1 August 2017	21,741
Depreciation charged in the year	3,954
Eliminated in respect of disposals	(22,389)
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At 31 July 2018	3,306
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Carrying amount	
At 31 July 2018	39,578
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At 31 July 2017	4,708
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6 Investment property

	2018 £
Fair value	
At 1 August 2017	6,619,000
Additions	450,368
Disposals	(702,368)
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At 31 July 2018	6,367,000
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The investment properties have been valued on an open market basis at 31 July 2018 by the director, and are stated at their valuation amount. The director is considered qualified to value investment properties held by the company due to his vast experience in the field, having worked in the property industry since the 1960's.

The historical cost of the properties included at valuation at the balance sheet date is £3,310,916 (2017: £3,333,856).

Bluenotch Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2018

7 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	15,058	11,957
Other debtors	36,279	34,171
	<u>51,337</u>	<u>46,128</u>

8 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	14,117	14,117
Corporation tax	89,830	64,487
Other creditors	19,762	19,584
	<u>123,709</u>	<u>98,188</u>

9 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	29,967	-
	<u>29,967</u>	<u>-</u>

10 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £
Balances:		
Investment property unrealised fair value gains	<u>476,130</u>	<u>511,226</u>
Movements in the year:		2018 £
Liability at 1 August 2017		511,226
Credit to profit and loss		(35,096)
Liability at 31 July 2018		<u>476,130</u>

Bluenotch Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2018

11 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

12 Related party transactions

The company paid secretarial fees of £15,333 (2017: £14,417) to D.W.D. Property & Investment Co. Limited, a company under the control of D.W. Dove Esq., a shareholder and director.

At the year end the company was owed £30,306 (2017: £30,306) from Perimeter Properties Limited, a company under the control of D.W. Dove Esq.

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.