

THE ITCHEN COMPANY LIMITED

Report and Financial Statements
for the year ended 31 July 2013

Company Registration No 3231966



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**THE ITCHEN COMPANY LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2013**

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**THE ITCHEN COMPANY LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2013**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Barry Hicks

Terry Rath

SECRETARY

Jeffrey Roberts

REGISTERED OFFICE

Itchen College

Middle Road

Bitterne

Southampton

SO19 7TB

BANKERS

Lloyds TSB Bank plc

413 Bitterne Road

Bitterne

Southampton

SO18 1DA

SOLICITORS

Paris Smith LLP

1 London Road

Southampton

SO15 2AE

AUDITORS

Baker Tilly Audit Limited

Vantage

Victoria Street

Basingstoke

RG21 3BT

**THE ITCHEN COMPANY LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 JULY 2013**

The directors present their annual report and the audited financial statements for the year ended 31 July 2013

ACTIVITIES

The company manages The Itchen Sports and Performing Arts Centre, a facility which provides sports, retail and leisure services to Itchen College and the local community

RESULTS AND DIVIDENDS

The profit for the year is detailed in the Profit and Loss account on Page 5. The directors do not recommend the payment of a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

DIRECTORS

The directors who served during the year are as follows

Barry Hicks
Terry Rath

AUDITORS

In accordance with section 487 (2) of the Companies Act 2006 a resolution proposing that Baker Tilly Audit Limited be re-appointed has been put to the Annual General Meeting.

SMALL COMPANY PROVISIONS

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

Approved by the Board of Directors
and signed on behalf of the Board 12/12/2013



Jeffrey Roberts
Secretary

**THE ITCHEN COMPANY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 JULY 2013**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ITCHEN COMPANY LIMITED
YEAR ENDED 31 JULY 2013**

We have audited the financial statements of The Itchen Company Limited for the year ended 31 July 2013 on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 an auditor's report 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

give a true and fair view of the state of affairs of the company as at 31 July 2013 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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 and the directors' report in accordance with the small companies regime.

Jennifer Hill, Senior statutory auditor



Baker Tilly Audit Limited, Registered Auditor
Vantage, Victoria Street
Basingstoke, Hampshire

Date - 7/3/2014

THE ITCHEN COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2013

	Notes	2013 £	2012 £
TURNOVER	2	257,034	181,619
Cost of sales		(132,391)	(89,172)
GROSS PROFIT		<u>124,643</u>	<u>92,447</u>
Administrative expenses		(158,152)	(79,224)
OPERATING PROFIT/(LOSS)	4	<u>(33,509)</u>	<u>13,223</u>
Other interest receivable and similar income		-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(33,509)</u>	<u>13,223</u>
Tax on profit / (loss) on ordinary activities	6	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	15	<u><u>(33,509)</u></u>	<u><u>13,223</u></u>

There were no recognised gains or losses other than those passing through the profit and loss account for the above two financial years. The profit and loss account has been prepared on the basis that all operations are continuing operations.

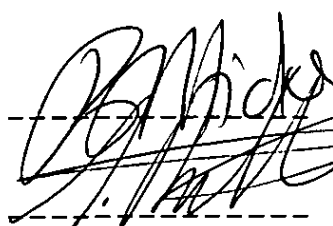

The notes on pages 7 - 12 form part of these accounts.

THE ITCHEN COMPANY LIMITED
BALANCE SHEET
AS AT 31 JULY 2013

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	7	823,226	851,720
Current assets			
Stocks	8	4,432	1,409
Debtors	9	4,858	3,512
Cash at bank and in hand		9,622	27,689
		18,912	32,610
Creditors amounts falling due within one year	10	(8,176)	(6,417)
Net current assets		10,736	26,193
Total assets less current liabilities		833,962	877,914
Creditors amounts falling due after more than one year	11	(325,746)	(320,837)
Accruals and deferred income	12	(507,867)	(523,219)
Net liabilities		349	33,858
Capital and reserves			
Called up share capital	13	1,000	1,000
Profit and loss account	15	(651)	32,858
Shareholders' Funds	14	349	33,858

These financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies

The financial statements on pages 5 to 12 were approved by the Board and authorised for issue on _____ and signed on behalf of the board of directors by

 Barry Hicks
 Terry Rath

- Director

- Director

The notes on pages 7 - 12 form part of these accounts

THE ITCHEN COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2013

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are as follows:

Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention.

Turnover

Turnover represents the value of sales to outside parties net of Value Added Tax.

Tangible Fixed Assets

a. Buildings

Freehold buildings are depreciated over their expected useful economic life to the company of 50 years. The Company has a policy of depreciating major adaptations to buildings over the period of their useful economic life. Minor adaptations to the buildings are designated minor works and are depreciated over 15 years. Where buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

b. Equipment

Equipment costing less than £1000 per individual item is written off to the profit and loss account in the period of acquisition. All other equipment is capitalised at cost. All equipment is depreciated on a straight line basis over its remaining useful economic life to the company, as follows:

Computers	33%
Sports equipment	25%
Administrative equipment	25%
Furniture	10%

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the profit and loss account over the expected useful economic life of the related equipment.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Cash Flow Statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

THE ITCHEN COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2013

Pension Schemes

Employees of the company are also employed by the Parent Undertaking, Itchen College. They participate in the Local Government Pension Scheme through Itchen College which is a defined benefit scheme. The employees' share of the pension scheme for the college cannot be determined and therefore the pension contributions are accounted for on an accruals basis.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that were expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

THE ITCHEN COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2013

2 TURNOVER

The whole of the turnover is attributable to the principal activity of the company and occurs wholly within the United Kingdom

3 STAFF COSTS

The average number of persons (including directors) employed by the company during the year, expressed as full time equivalents, was

2013	2012
Number	Number
7	3

Staff cost for above persons
Administration
Catering and cleaning staff

2013	2012
£	£
44,402	45,514
63,446	8,000
107,848	53,514

Salaries
Social security costs
Other pension costs

2013	2012
£	£
102,126	50,947
2,243	860
3,479	1,707
107,848	53,514

4 OPERATING PROFIT

Operating profit is stated after charging / (crediting)

Depreciation of tangible assets
Release of deferred capital grant
Auditors' remuneration
Administrative expenses

2013	2012
£	£
33,080	33,880
(21,132)	(21,132)
1,285	1,125
144,919	65,351
158,152	79,224

5 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

Bank interest

2013	2012
£	£
-	-

THE ITCHEN COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2013

6 TAXATION

	2013	2012
	£	£
Domestic current year tax		
UK corporation tax	-	-
Adjustment for prior years	-	-
	<u>-</u>	<u>-</u>
 Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities before taxation	<u>(33,509)</u>	<u>13,223</u>
 Profits on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% (2012 20%)	<u>-</u>	<u>2,645</u>
 Effects of		
Depreciation	-	6,776
Capital allowances	-	(1,818)
Tax losses utilised	-	-
Other tax adjustments	<u>-</u>	<u>(7,603)</u>
	<u>-</u>	<u>(2,645)</u>
 Current tax charge	<u>-</u>	<u>-</u>

The company has estimated losses of Nil (2012- Nil) available for carry forward against future trading profits

7 TANGIBLE FIXED ASSETS

	Equipment	Freehold land and buildings	Total
	£	£	£
Cost			
At 1 August 2012	175,518	1,140,053	1,315,570
Additions	4,586	-	4,586
Disposals	(1,705)	-	(1,705)
At 31 July 2013	<u>178,399</u>	<u>1,140,053</u>	<u>1,318,451</u>
 Accumulated depreciation			
At 1 August 2012	119,233	344,617	463,850
Disposals	(1,705)	-	(1,705)
Charge for the year	10,354	22,726	33,080
At 31 July 2013	<u>127,882</u>	<u>367,343</u>	<u>495,225</u>
 Net book value			
At 31 July 2012	<u>56,284</u>	<u>795,436</u>	<u>851,720</u>
At 31 July 2013	<u>50,517</u>	<u>772,709</u>	<u>823,226</u>

THE ITCHEN COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2013

8 STOCKS

	2013 £	2012 £
Stock consists of goods for resale and catering raw materials	4,432	1,409

9 DEBTORS

	2013 £	2012 £
Trade debtors	4,858	3,512
	<u>4,858</u>	<u>3,512</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	2,033	1,633
Taxation and social security	6,143	4,784
	<u>8,176</u>	<u>6,417</u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Amount due to parent company	325,746	320,837

During the year ended 31 July 1997 the Parent company obtained a bank loan of £495,000 on behalf of The Itchen Company Limited that is to be repaid over 15 years
The intercompany loan from Itchen College is interest free, and to be repaid over the course of the bank loan from the profits of the company

12 ACCRUALS AND DEFERRED INCOME

	2013 £	2012 £
DEFERRED CAPITAL GRANT		
Balance at 1 August 2012	523,219	538,571
Cash received	-	-
Released during year	(15,352)	(15,352)
Balance at 31 July 2013	<u>507,867</u>	<u>523,219</u>

13 CALLED UP SHARE CAPITAL

	2013 £	2012 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

THE ITCHEN COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2013

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit for the financial year	(33,509)	13,223
Shareholder's funds at 1 August 2012	33,858	20,635
Shareholder's funds at 31 July 2013	<u>349</u>	<u>33,858</u>

15 PROFIT AND LOSS ACCOUNT

	2013 £	2012 £
Balance at 1 August 2012	32,858	19,635
Profit for the year	(33,509)	13,223
Balance at 31 July 2013	<u>(651)</u>	<u>32,858</u>

16 CAPITAL COMMITMENTS

	2013 £	2012 £
Commitments contracted for at 31 July	<u>-</u>	<u>-</u>

17 ULTIMATE PARENT COMPANY

The Itchen Company Limited is a wholly owned subsidiary of Itchen College, who is also the ultimate controlling party
Copies of the consolidated financial statements of Itchen College can be obtained from Itchen College, Middle Road, Bitterne, Southampton, SO19 7TB

18 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in Financial Reporting Standard No 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent undertaking