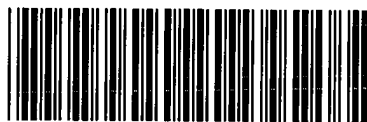


**THE ITCHEN COMPANY
LIMITED**

Report and Financial Statements
Year Ended 31 July 2020

Company Registration No. 3231966

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**THE ITCHEN COMPANY LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2020**

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**THE ITCHEN COMPANY LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2020**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Robert Parke
Alex Scott

SECRETARY

Susan Carter

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

Mazars LLP
5th Floor
Merck House
Seldown Lane
Poole
BH15 1TW

**THE ITCHEN COMPANY LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 JULY 2020**

The directors present their annual report and the audited financial statements for the year ended 31 July 2020

PRINCIPAL 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.

COVID-19 IMPACT STATEMENT

The national lockdown from late March 2020 had a significant impact on the Company activities with the full closure of both the Catering and Community provision over the 19wk period. The Company was, however, able to provide childcare provision for key workers during the Easter and Summer breaks, which did provide a small amount of income over this period. As a result of the cessation of activity, the majority of staff employed by the Company were furloughed over the period to July 2020, which resulted in additional grant income of circa £33k. The overall 'cost' to the Company of the COVID-19 situation has been calculated at £80k (net of the Job Retention Scheme Grant).

Due to the on-going situation, a staff restructure and redeployment exercise will take effect from September 2020 and will reduce the staffing cost liability whilst restrictions on community hire remain in force. This will result in 2 redundancies from the Community team provision.

RESULTS AND DIVIDENDS

The profit for the year is detailed in the Income Statement on Page 6. The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the year and up to the date of signature of the financial statements are as follows:

Alex Scott
Robert Parke

AUDITORS

Mazars LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of 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.

STATEMENT OF DISCLOSURE TO AUDITOR

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the Board of Directors
and signed on behalf of the Board



Susan Carter
Secretary

**THE ITCHEN COMPANY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 JULY 2020**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Independent auditor's report to the members of The Itchen Company Limited

Opinion

We have audited the financial statements of The Itchen Company Limited (the 'company') for the year ended 31 July 2020 which comprise the Income Statement, Statement of Financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2020 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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.



Jonathan Marchant (Senior Statutory Auditor) for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
5th Floor, Merck House,
Seldown Lane
Poole
Dorset
BH15 1TW

Date
18 December 2020

THE ITCHEN COMPANY LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2020

		2020	2019
	Notes	£	£
TURNOVER	2	253,804	303,679
Cost of sales		(90,102)	(141,299)
GROSS PROFIT		<u>163,702</u>	<u>162,380</u>
Administrative expenses		(201,104)	(164,367)
OPERATING (LOSS)/PROFIT	4	<u>(37,402)</u>	<u>(1,987)</u>
Other interest receivable and similar income		-	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(37,402)</u>	<u>(1,987)</u>
Tax on (loss)/profit on ordinary activities	5	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	13	<u><u>(37,402)</u></u>	<u><u>(1,987)</u></u>

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

The notes on pages 8 - 12 form part of these accounts.

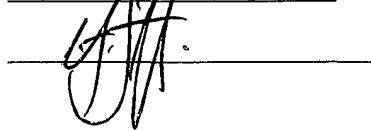
THE ITCHEN COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020

		2020	2019
	Notes	£	£
Fixed assets			
Tangible assets	6	<u>707,207</u>	<u>733,182</u>
Current assets			
Stocks	7	1,003	1,993
Debtors	8	87,122	111,055
Cash at bank and in hand		<u>16,855</u>	<u>9,843</u>
		104,980	122,891
Creditors: amounts falling due within one year	9	<u>(26,637)</u>	<u>(42,150)</u>
Net current assets		<u>78,343</u>	<u>80,741</u>
Total assets less current liabilities		<u>785,550</u>	<u>813,923</u>
Creditors: amounts falling due after more than one year	10	(859,056)	(850,027)
Net liabilities		<u>(73,506)</u>	<u>(36,104)</u>
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account		(74,506)	(37,104)
Shareholders' Funds		<u>(73,506)</u>	<u>(36,104)</u>

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

The financial statements on pages 6 to 12 were approved by the board and authorised for issue on

10.12.2020 and were signed on behalf of the board of directors by:



Alex Scott - Director

The notes on pages 8 - 12 form part of these accounts.

THE ITCHEN COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2020

1 ACCOUNTING POLICIES

Company information

The Itchen Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Itchen College, Middle Road, Bitterne, Southampton SO19 7TB. 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 FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

Going Concern Policy

The directors have prepared forecasts which demonstrate that the Company can continue to operate and settle debts as they fall due. They have considered the continuing impact of the Covid-19 pandemic in forming their view. The pandemic does restrict the ability of the Company to generate income, however it is able to flex its cost and operations to match the income that it can generate and this has been further mitigated through government assistance such as the Coronavirus job retention scheme (CJRS). The Company's liabilities are primarily deferred government grants and a loan from its parent. The directors have received assurance that the parent entity will not seek repayment of the loan in the coming year, and this support is sufficient for them to conclude that the going concern basis is appropriate.

The principal accounting policies adopted are set out below.

Turnover

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

Tangible Fixed Assets

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

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 statement 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 income statement 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	20%
Sports equipment	20%
Administrative equipment	20%
Furniture	20%

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.

THE ITCHEN COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2020

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.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

Financial Instruments The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities Financial liabilities and equity instruments are classified 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.

Equity instruments Equity instruments issued by the company are recorded at the fair value of 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.

THE ITCHEN COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2020

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 monthly average number of persons (including directors) employed by the company during the year was:

2020	2019
Number	Number
18	18

4 OPERATING PROFIT

	2020	2019
	£	£
Operating profit is stated after charging / (crediting)		
Depreciation of tangible assets	32,625	32,936
Release of deferred capital grant	(21,132)	(21,132)
Auditors' remuneration	7,000	2,500
Administrative expenses	182,611	150,063
	<u>201,104</u>	<u>164,367</u>

THE ITCHEN COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2020

5 TAXATION

	2020	2019
	£	£
Domestic current year tax	-	-
UK corporation tax	-	-
Adjustment for prior years	-	-
	<u>-</u>	<u>-</u>

6 TANGIBLE FIXED ASSETS

	Equipment	Freehold land and buildings	Assets under Construction	Total
	£	£		£
Cost				
At 1 August 2019	217,503	1,140,052	-	1,357,555
Additions	6,650	-	56,447	63,097
Disposals	-	-	-	-
At 31 July 2019	<u>224,153</u>	<u>1,140,052</u>	<u>56,447</u>	<u>1,420,652</u>
Accumulated depreciation				
At 1 August 2019	177,045	503,775	-	680,820
Disposals	-	-	-	-
Charge for the year	8,986	23,639	-	32,625
At 31 July 2019	<u>186,031</u>	<u>527,414</u>	<u>-</u>	<u>713,445</u>
Net book value				
At 31 July 2018	40,458	636,277	-	676,735
At 31 July 2019	<u>38,122</u>	<u>612,638</u>	<u>56,447</u>	<u>707,207</u>

THE ITCHEN COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2020

7	STOCKS	2020	2019
		£	£
	Stock consists of goods for resale and catering raw materials	1,003	1,993
8	DEBTORS	2020	2019
		£	£
	Trade debtors	3,107	4,007
	Prepayments	0	1033
	Sundry debtors	84,015	106,015
		87,122	111,055
9	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
		£	£
	Trade creditors	2,485	7,447
	Deferred Income - Capital Grants	15,352	21,132
	Other taxation and social security	560	8,083
	Other	8,240	7,508
		26,637	42,150
10	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2020	2019
		£	£
	Deferred Income - Capital Grants	384,271	393,843
	Amount due to parent company	474,785	456,184
		859,056	850,027
11	CALLED UP SHARE CAPITAL	2020	2019
		£	£
	Authorised 1,000 ordinary shares of £1 each Allotted, called up and fully paid	1,000	1,000
12	ULTIMATE PARENT		
	The ultimate parent is Itchen College, Middle Road, Bitterne, Southampton, SO19 7TB. Itchen College heads the smallest and largest group for which consolidated accounts, which include The Itchen Company Limited, are prepared. The accounts are publicly available from the above address.		
13	Related Party Transactions		
	The company has taken the advantage of the exemptions available in accordance with section 33 of FRS102 not to disclose transactions entered into between two or more members of the group, as the company is a wholly owned subsidiary undertaking of the group.		