

R.E. Aucott & Sons Limited

Annual report and financial statements

**Registered number 1365198
for the year ended 31 March 2017**

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Contents

Directors' report	1
Statement of directors' responsibilities in respect of the annual report and the financial statements	2
Independent auditor's report to the members of R.E. Aucott & Sons Limited	3
Profit and Loss Account	5
Balance Sheet	6
Statement of Changes in Equity	7
Notes	8

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2017.

Principal activities and business review

The principal activity of the Company is that of property rental.

The profit for the year after taxation amounted to £62,220 (2016: £664,316). The directors are satisfied with the result for the year and are optimistic about future prospects.

At the time of writing this Directors report the UK have voted to leave the EU. Whilst it is too early to fully know the implications of this on the Company, the directors believe that it will not have an impact on the Company and the Company will continue to trade for the foreseeable future.

Dividends

No dividends were paid in the year (2016: £Nil).

Directors

The directors who held office during the year were as follows:

BS Aucott
SR Aucott

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will, therefore, continue in office.

Approved by the board of directors on 4 December 2017 and signed on its behalf by:



BS Aucott
Director

Aucott House
Etchell Court
Bonehill Road
Tamworth
Staffordshire
B78 3JA

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including *FRS 102 Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of R.E. Aucott & Sons Limited

We have audited the financial statements of R.E. Aucott & Sons Limited for the year ended 31 March 2017 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 2, 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, and express an opinion on, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:


- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of R.E. Aucott & Sons Limited
(continued)

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 take advantage of the small companies' exemption in preparing the Strategic Report.



Stuart Wood (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

4 December 2017

Profit and Loss Account
for the year ended 31 March 2017

	<i>Note</i>	2017 £	2016 £
Turnover	3	125,445	136,409
Gross profit		125,445	136,409
Administrative expenses		(105,048)	(101,528)
Other operating income	4	80,500	697,305
Operating profit		100,897	732,186
Other interest receivable and similar income	5	25,272	4,568
Profit before taxation		126,169	736,754
Tax on profit	9	(63,949)	(72,438)
Profit for the financial year		62,220	664,316

All turnover and operating profit for the current year and preceding period arose from continuing operations.

The company has no other comprehensive income in either the current year or preceding year other than those shown in the profit and loss account.

The notes on pages 8 to 14 form an integral part of these financial statements.

Balance Sheet
At 31 March 2017

	<i>Not e</i>	2017	2016
		£	£
Fixed assets			
Investment Property	10	1,104,487	1,835,287
Current assets			
Debtors	11	1,337,658	80,291
Cash at bank and in hand		95,761	518,619
		<u>1,433,419</u>	<u>598,910</u>
Creditors: amounts falling due within one year	12	<u>(241,229)</u>	<u>(157,730)</u>
Net current assets		<u>1,192,190</u>	<u>441,180</u>
Total assets less current liabilities		<u>2,296,677</u>	<u>2,276,467</u>
Provisions for liabilities			
Deferred tax liability	13	(28,925)	(70,935)
Net assets		<u>2,267,752</u>	<u>2,205,532</u>
Capital and reserves			
Called up share capital	14	18,115	18,115
Revaluation reserve		1,072,142	1,614,649
Profit and loss account		1,177,495	572,768
Shareholders' funds		<u>2,267,752</u>	<u>2,205,532</u>

The notes on pages 8 to 14 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 4 December 2017 and were signed on its behalf by:



BS Aucott
Director

Company number: 1365198



SR Aucott
Director

Statement of Changes in Equity
for the year ended 31 March 2017

	Called up Share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 April 2015	18,115	917,344	605,757	1,541,216
Total comprehensive income for the year				
Profit or loss	-	-	664,316	664,316
Transfer of gain on investment property to revaluation reserve	-	697,305	(697,305)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	697,305	(32,989)	664,316
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2016	18,115	1,614,649	572,768	2,205,532
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 April 2016	18,115	1,614,649	572,768	2,205,532
Total comprehensive income for the year				
Profit or loss	-	-	62,220	62,220
Transfer of gain on investment property from revaluation reserve	-	(542,507)	542,507	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(542,507)	604,727	62,220
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2017	18,115	1,072,142	1,177,495	2,267,752
	<hr/>	<hr/>	<hr/>	<hr/>

Where tangible fixed assets are revalued or reclassified as investment property, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve.

The notes on pages 8 to 14 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

R.E. Aucott & Sons Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

Under FRS 102.1A, the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: investment property.

1.2 Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will be able to continue to trade for the foreseeable future. The Company's forecasts and projections show that the Company should be able to operate. The directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1.5 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

Notes (continued)

1 Accounting policies (continued)

1.5 Investment property (continued)

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 17 until a reliable measure of fair value becomes available.

This treatment, as regards the company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of tangible fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

1.6 Impairment excluding stocks, investment properties and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.7 Turnover

Turnover represents rental income receivable, excluding value added tax, arising wholly within the United Kingdom and from the company's principal activity.

1.8 Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Notes (continued)

1 Accounting policies (continued)

1.9 Taxation (continued)

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Accounting estimates and judgements

Key sources of estimation uncertainty

Investment property

The value of the properties is assessed by either an independent property valuation specialists or by the directors at each reporting date using publicly available market evidence comprising primarily of values of comparable properties in the area and national market statistics. However, it is inherently difficult to assess the true market value of the property without actively marketing the property for sale.

3 Turnover

	2017 £	2016 £
Investment property rentals	125,445	136,409

Turnover represents rental income receivable, excluding value added tax, arising wholly within the United Kingdom and from the company's principal activity.

4 Other operating income

	2017 £	2016 £
Fair value gain adjustments for investment property	-	697,305
Net gain on disposal of investment property	80,500	-

5 Other interest receivable and similar income

	2017 £	2016 £
Receivable from businesses under common control	25,272	4,568

Notes (continued)

6 Auditor's remuneration

Auditor's remuneration:

	2017 £	2016 £
Audit of these financial statements	7,250	7,000
Amounts receivable by the company's auditor and its associates in respect of:		
Taxation compliance services	2,730	2,650
Other Services	500	500

7 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2017	2016
Office and management	2	2

The aggregate payroll costs of these persons were £Nil (2016: £Nil).

8 Directors' remuneration

The directors did not receive any remuneration, nor were any pension scheme contributions payable in either the current year or preceding year.

9 Taxation

Total tax expense recognised in the profit and loss account and equity

	2017 £	2016 £
<i>Current tax</i>		
Current tax on income for the year	105,959	9,985
Total current tax	105,959	9,985
<i>Deferred tax (see note 13)</i>		
Origination and reversal of timing differences	(39,098)	63,301
Change in tax rate	(2,912)	(848)
Total deferred tax	(42,010)	62,453
Total tax	63,949	72,438

Notes (continued)

9 Taxation (continued)

Reconciliation of effective tax rate

	2017 £	2016 £
Profit for the year	62,220	664,316
Total tax expense	63,949	72,438
Profit excluding taxation	126,169	736,754
Tax using the UK corporation tax rate of 20% (2016: 20%)	25,234	147,351
Non-deductible expenses	-	2,095
Chargeable gains/(losses)	41,627	-
Reduction in tax rate on deferred tax balances	(2,912)	(848)
Capital allowances for year in excess of depreciation	-	(76,160)
Total tax expense included in profit or loss	63,949	72,438

Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at balance sheet date has been calculated based on these rates.

10 Investment property

	2017 £
Balance at 1 April 2016	1,835,287
Disposals	(730,800)
Balance at 31 March 2017	1,104,487

£1,104,487 of investment property fair value is based on a valuation by the directors, having used publicly available market evidence to assess the current market value of each asset.

In the prior year, £1,835,287 of investment property fair value is based on a valuation by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued.

Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income from investment property is accounted for as described in the turnover accounting policy.

Notes (continued)

11 Debtors

	2017 £	2016 £
Trade debtors	35,224	40,820
Amounts owed from businesses under common control (see note 15)	1,294,160	9,042
Other debtors	-	18,074
Prepayments and accrued income	8,274	12,355
	<u>1,337,658</u>	<u>80,291</u>

12 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	4,938	17,455
Amounts owed to businesses under common control (see note 15)	13,566	4,274
Corporation tax	105,959	9,984
Other creditors	67,119	-
Accruals and deferred income	49,647	126,017
	<u>241,229</u>	<u>157,730</u>

13 Deferred taxation

	£
Liability at beginning of year	70,935
Credit to profit and loss account during year (see note 9)	(42,010)
Liability at end of year	<u>28,925</u>

The elements of deferred taxation are as follows:

	2017 £	2016 £
Capital Gains	<u>28,925</u>	<u>70,935</u>

14 Called up share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid:</i>		
18,115 ordinary shares of £1 each	<u>18,115</u>	<u>18,115</u>

Notes (continued)

15 Related parties

Mr BS Aucott and Miss SR Aucott are trustees and ultimate beneficiaries of the JB Aucott Will Trust.

Mr BS Aucott and Miss SR Aucott are directors of Aucott Developers Limited.

Mr BS Aucott and Miss SR Aucott are directors of Aucott Holdings Limited.

The transactions with related parties during the year ended 31 March 2017 are as follows:

Related party	Type of transaction	Value in the year		Balance at 31 March 2017	
		Sales £	Purchases £	Debtor £	Creditor £
Aucott Holdings Limited	Recharge of costs	-	-	-	100
JB Aucott Will Trust	Short term loan	130	-	1,294,160	13,466
		<u>130</u>	<u>-</u>	<u>1,294,160</u>	<u>13,566</u>

The company made purchases jointly from Mr BS Aucott and Miss SR Aucott during the year of £Nil (2016: £1,250) in relation to recharge of costs. The outstanding net balance at the year end was creditor of £Nil (2016: £1,500).

Mr BS and Miss SR Aucott were advanced loans of £Nil during the year (2016: £630,000). The loans attracted interest of £Nil during the year (2016: £4,568). The total loan balance, including interest, was £Nil at year end (2016: £Nil).

During the year, the company advanced loans to JB Aucott Will Trust amounting to £1,294,160 (2016: £Nil). Interest was received on the loan amounting to £25,272 (2016: £Nil).

All transactions have been at arm's length including items from external parties recharged at cost.

The transactions with related parties during the year ended 31 March 2016 are as follows:

Related party	Type of transaction	Value in the year		Balance at 31 March 2016	
		Sales £	Purchases £	Debtor £	Creditor £
Aucott Holdings Limited	Recharge of costs	-	14,247	-	4,274
JB Aucott Will Trust	Recharge of costs	15,157	17,138	9,042	-
		<u>15,157</u>	<u>31,385</u>	<u>9,042</u>	<u>4,274</u>

16 Ultimate controlling parties

The ultimate controlling parties are BS Aucott and SR Aucott.