

Winston (UK) Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2016

Winston (UK) Limited

Contents

Company Information	<u>1</u>
Accountants' Report	<u>2</u>
Balance Sheet	<u>3</u> to <u>4</u>
Notes to the Financial Statements	<u>5</u> to <u>12</u>

Winston (UK) Limited

Company Information

Directors	Mr J A Rycroft Mr C A Rycroft
Registered office	The Power House 156 Hookstone Drive Harrogate North Yorkshire HG2 8PF
Accountants	Murray Harcourt Partners LLP Elizabeth House 13-19 Queen Street Leeds West Yorkshire LS1 2TW

**Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited
Statutory Accounts of
Winston (UK) Limited
for the Year Ended 31 December 2016**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Winston (UK) Limited for the year ended 31 December 2016 as set out on pages 3 to 12 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.icacw.com/cn/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Winston (UK) Limited, as a body, in accordance with the terms of our engagement letter dated 26 January 2016. Our work has been undertaken solely to prepare for your approval the accounts of Winston (UK) Limited and state those matters that we have agreed to state to the Board of Directors of Winston (UK) 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 Winston (UK) Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Winston (UK) 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 Winston (UK) Limited. You consider that Winston (UK) 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 Winston (UK) 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 accounts.

.....
Murray Harcourt Partners LLP
Elizabeth House
13-19 Queen Street
Leeds
West Yorkshire
LS1 2TW

26 July 2017

Winston (UK) Limited

(Registration number: 05267822)

Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	<u>4</u>	205,053	213,398
Investment property	<u>5</u>	8,739,000	8,530,000
Investments		9	9
		<u>8,944,062</u>	<u>8,743,407</u>
Current assets			
Debtors	<u>7</u>	583,952	113,840
Cash at bank and in hand		35,711	33,660
		619,663	147,500
Creditors: Amounts falling due within one year	<u>8</u>	<u>(5,303,047)</u>	<u>(5,274,672)</u>
Net current liabilities		<u>(4,683,384)</u>	<u>(5,127,172)</u>
Total assets less current liabilities		4,260,678	3,616,235
Creditors: Amounts falling due after more than one year	<u>8</u>	(268,394)	(394,547)
Provisions for liabilities		<u>(132,691)</u>	<u>(106,685)</u>
Net assets		<u>3,859,593</u>	<u>3,115,003</u>
Capital and reserves			
Called up and fully paid share capital		100,000	100,000
Profit and loss account		<u>3,759,593</u>	<u>3,015,003</u>
Total equity		<u>3,859,593</u>	<u>3,115,003</u>

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

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 5 to 12 form an integral part of these financial statements.

Winston (UK) Limited

(Registration number: 05267822)

Balance Sheet as at 31 December 2016

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 24 July 2017 and signed on its behalf by:

.....

Mr C A Rycroft

Director

The notes on pages 5 to 12 form an integral part of these financial statements.

Page 4

Winston (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

1 General information

The company is a private company limited by share capital incorporated in England and Wales. Details of the registered office are shown on page 1.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared on a going concern basis using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Group accounts not prepared

The company is part of a small group. The company has taken advantage of the exemption provided in Section 398 of the Companies Act 2006 and has not prepared group accounts..

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for rental income due under tenancy agreements and contracts. Turnover is shown net of value added tax, returns, rebates and discounts and is recognised as it falls due.

Tax

Current income tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on timing differences between taxable profits and profits reported in the financial statements. Deferred tax is recognised on all timing differences at the reporting date and is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Winston (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold property	2% straight line
Plant and machinery	25% reducing balance
Fixtures and fittings	25% reducing balance
Office equipment	25% reducing balance

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by the directors. The directors use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Winston (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

3 Staff numbers

The average number of persons employed by the company (including directors) in the year, was 3 (2015 - 3).

4 Tangible assets

	Land and buildings £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 January 2016	215,023	76,245	291,268
Additions	-	624	624
At 31 December 2016	215,023	76,869	291,892
Depreciation			
At 1 January 2016	20,067	57,804	77,871
Charge for the year	4,300	4,668	8,968
At 31 December 2016	24,367	62,472	86,839
Carrying amount			
At 31 December 2016	190,656	14,397	205,053
At 31 December 2015	194,956	18,442	213,398

Winston (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

5 Investment properties

	2016
	£
At 1 January	8,530,000
Additions	161,005
Disposals	(500,000)
Fair value adjustments	547,995
	<hr/>
At 31 December	<u><u>8,739,000</u></u>

The investment properties class of fixed assets were revalued on the 31st December 2016 by the directors who are internal to the company. The basis of this valuation was at open market. This class of assets has a current value of £8,739,00 (2015: £8,530,000) and a carrying amount at historical cost of £7,428,625 (2015: £7,767,621).

The depreciation on this historical cost is £nil (2015: £nil).

6 Investments

	2016	2015
	£	£
Investments in subsidiaries	<u>9</u>	<u>9</u>
Subsidiaries		£
Cost or valuation		
At 1 January 2016		<u>9</u>
Provision		
Carrying amount		
At 31 December 2016		<u><u>9</u></u>
At 31 December 2015		<u><u>9</u></u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Winston (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2016	2015
Subsidiary undertakings				
Bond End Gardens Limited	The Power House 158 Hookstone Drive Harrogate HG2 8PF England & Wales	Ordinary	75%	75%

The principal activity of Bond End Gardens Limited is Property Management Company Its financial period end is 30 June.

The profit for the financial period of Bond End Gardens Limited was £- and the aggregate amount of capital and reserves at the end of the period was £(108).

7 Debtors

	Note	2016 £	2015 £
Trade debtors		2,449	7,197
Amounts owed by group undertakings and undertakings in which the company has a participating interest	<u>10</u>	2,537	2,311
Other debtors		578,966	104,332
Total current trade and other debtors		<u>583,952</u>	<u>113,840</u>

8 Creditors

	Note	2016 £	2015 £
Due within one year			
Bank loans and overdrafts	<u>9</u>	4,140,196	4,137,196
Trade creditors		8,983	6,733
Taxation and social security		56,171	65,668
Other creditors		901,915	887,615
Accruals and deferred income		195,782	177,460
		<u>5,303,047</u>	<u>5,274,672</u>
Due after one year			
Loans and borrowings	<u>9</u>	<u>268,394</u>	<u>394,547</u>

Winston (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

9 Loans and borrowings

	2016 £	2015 £
Non-current loans and borrowings		
Bank borrowings	268,394	394,547
	2016 £	2015 £
Current loans and borrowings		
Bank borrowings	723,708	720,708
Other borrowings	3,416,488	3,416,488
	4,140,196	4,137,196

Security held

Sg Hambros Bank (Channel Islands) Limited, National Westminster Bank plc and Barclays Private Clients International Limited hold legal charges over individual freehold investment properties as security over the loans.

10 Related party transactions

Transactions with directors

Directors' remuneration

The directors' remuneration for the year was as follows:

	2016 £	2015 £
Remuneration	18,750	75,000

Other transactions with directors

C A Rycroft

(Director)

Included in current liabilities is an amount due to C A Rycroft. At the balance sheet date the amount due from the company to the director was £893,763 (2015: £887,181). This loan is interest free and repayable on demand.

CA & J A Rycroft

(Directors)

The company collected rents on behalf of C & J Holdings partnership of which the directors are partners. At the balance sheet date the company owed £6,651 (2015: £434) to C & J Holdings.

Winston (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

The Rycroft (2003) Trust - C A Rycroft

C A Rycroft is a beneficiary of the Rycroft Trust which has made loans to the company. During the year interest amounting to £26,552 (2015: 26,281) was charged on this loan. The outstanding balance is reflected in loans and borrowings. The loan is repayable upon demand and interest is accruing at 0.75% p.a.

Summary of transactions with subsidiaries

Bond End Gardens Limited

During the year the company incurred expenditure on behalf of Bond End Gardens Limited. At the balance sheet date the amount due to the company was £2,537 (2015: £2,311).

11 Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under FRSSE 2015 were for the year ended 31 December 2015. The date of transition to FRS 102 was 1 January 2015

The following adjustments arose on adoption of FRS 102:

	£
Net assets at date of transition, 1 January 2015, as previously reported	2,747,450
Deferred tax on revaluation of investment property	(23,801)
Net assets at 1 January 2015 under FRS 102	<u>2,723,649</u>

	£
Net assets at 31 December 2015 as previously reported	3,191,895
Deferred tax on revaluation of investment property	(76,892)
Net assets at 31 December 2015 under FRS 102	<u>3,115,003</u>

	£
Profit for the financial year to 31 December 2015 as previously reported	179,445
Reclassification of revaluation gain on investment properties	265,000
Deferred tax on revaluation of investment properties	(53,091)
Profit for the financial year to 31 December 2015 under FRS 102	<u>391,354</u>

Winston (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

FRS 102 requires gains and losses on revaluation properties to be included in the reported profit and loss for the year. Under old UK GAAP such gains and losses were taken to the statement of total recognised gains and losses. A transitional reclassification has therefore been made such that the revaluation gain of £265,000 recognised in the year ended 31 December 2015 is now included in other operating income in the Statement of Income and Retained Earnings. FRS 102 also requires provision to be made for deferred tax in relation to property valuation gains, resulting in the recognition of additional deferred tax of £76,892 at 31 December 2015.

The Directors loan account has been reclassified within current liabilities but no further adjustment is required.

Page 12

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.