

Eastbach Limited

Eastbach Limited

Report and Financial Statements

For the year ended 5 April 2019

Registered No: 5656344



Directors' Report

The directors present their report and the unaudited financial statements ("the Financial Statements") of Eastbach Limited ("the company") for the year ended 5 April 2019. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. For this reason, a separate strategic report has not been prepared.

The directors who served during the year were as follows:

R C W Odey
N Odey

Principal activity and review of the business


The principal activity of the company is to act as a general investment company. The directors believe the results for the year are satisfactory.

Going Concern

The company has considerable financial resources together with regular dividend income. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

The directors intend that the company shall continue in operational existence for the foreseeable future, and have a reasonable expectation that it will have adequate resources to do so. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

On behalf of the board



Mr R C W Odey
Director

20th November 2019

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' Report 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), including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" section 1A Small Entities. 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 year. 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;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements;
- 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 proper 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 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.

Profit and loss account

for the year ended 5 April 2019

	Notes	2019 £	2018 £
Administrative expenses		(2,029)	(5,018)
Fair value adjustment		1,406,085	(370,888)
Operating loss	2	1,404,056	(375,906)
Dividends receivable	5	2,906,172	2,667,942
Bank interest receivable		14,643	3,267
(Loss)/Profit on ordinary activities before taxation		4,324,871	2,295,303
Tax on profit on ordinary activities	4	(239,035)	63,051
(Loss)/Profit on ordinary activities after taxation		4,085,836	2,358,354

Statement of total recognised gains and losses

There are no recognised gains or losses other than shown above.

The notes 1 to 11 form an integral part of the financial statements.

Statement of financial position

at 5 April 2019

	Notes	2019 £	2018 £
Fixed assets			
Investments	6	10,946,694	9,040,608
Current assets			
Debtors	7	239,538	478,526
Cash at bank and in hand		7,077,775	4,659,787
		<u>7,317,313</u>	<u>5,138,313</u>
Creditors: amounts falling due within one year	8	<u>(14,076)</u>	<u>(14,826)</u>
Net current assets		<u>7,303,237</u>	<u>5,123,487</u>
Total assets less current liabilities		<u>18,249,931</u>	<u>14,164,095</u>
Capital and reserves			
Called up share capital	9	304	304
Share premium account		125,000	125,000
Profit and loss account		18,124,627	14,038,791
Total equity shareholders' funds		<u>18,249,931</u>	<u>14,164,095</u>

The notes 1 to 11 form an integral part of the financial statements.

For the year ending 5 April 2019, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.


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.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The accounts have been prepared in accordance with the provisions applicable to companies' subject to small companies' regime and in accordance with the provisions of FRS 102 Section 1A – Small Entities.

These financial statements were approved by the Board of Directors on 20th November 2019.

Signed on behalf of the Board of Directors



Mr R C W Odey
Director

20th November 2019

Statement of changes in equity

at 5 April 2019

	<i>Share capital</i>	<i>Share premium account</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	£	£	£	£
At 6 th April 2017	304	125,000	11,680,437	11,805,741
Profit for the year	-	-	2,358,354	2,358,354
At 5 th April 2018	304	125,000	14,038,791	14,164,095
Profit for the year	-	-	4,085,836	4,085,836
At 5 th April 2019	304	125,000	18,124,627	18,249,931

Notes to the financial statements

1. Accounting policies

Statutory information

Eastbach Limited is a private company, limited by shares, domiciled in the England and Wales, registration number 5656344. The registered office is 12 Upper Grosvenor Street, London, United Kingdom, W1K 2ND.

Compliance with accounting standards

The financial statements have been prepared in accordance with the provisions applicable to companies' subject to small companies' regime and in accordance with the provisions of FRS 102 Section 1A – Small Entities.

Basis of preparation

These financial statements for the year ended 5 April 2019 comply with FRS 102 Section 1A small entities.

Expenses

Expenses are recognised on an accruals basis.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Dividends

Dividends are recognised when receivable.

Interest

Interest payable and receivable is recognised on an accruals basis.

Taxation

Provision is made for corporation tax at current rates on the excess of taxable income over allowable expenses. Tax liabilities and assets may be deferred because of timing differences between treatment of certain items for accounting and tax purposes. Full provision is made for deferred tax liabilities and deferred tax assets, for example in relation to losses carried forward, are recognised if the directors estimate that there will be profits in the foreseeable future against which the asset can be offset.

Fixed Asset Investments

Investments in ordinary shares and fund units (where they are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss.

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

All of the listed investments could be reliably valued at fair value through profit or loss. The investment in Ruffer Investment Management Limited could not be reliably fair valued, and so is held at cost less impairment.

Notes to the financial statements

2. Operating profit

The operating profit for the company is stated after charging:

	2019 £	2018 £
Bank charges	-	-

3. Information regarding directors and employees

The directors received no remuneration during this or the prior year in relation to services to the Company.

The Company had no employees during this or the prior year.

4. Taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 102.

	2019 £	2018 £
Analysis of charge in the period:		
Current tax on profit		
Corporation tax on the profits for the period	-	-
Total current tax	-	-
Deferred tax		
Non-taxable fair value adjustment	239,035	(63,051)
Movement in provision of deferred tax	-	-
Movement in deferred tax rate	239,035	(63,051)
Total tax on profit	239,035	(63,051)

Factors affecting current tax charge for the period:

The current taxation charge for the year is different from the standard rate of corporation tax in the UK (19%). The differences are explained below:

Profit before tax	4,324,872	2,295,304
Corporation tax on profit at 19% (2018:19%)	821,726	436,107
Effects of:		
Non-taxable fair value adjustment	(28,121)	7,418
Movement in deferred tax rate	-	-
Non-taxable dividends	(552,173)	(506,909)
Excess management expenses arising in year	(2,397)	333
Total tax on profit	239,035	(63,051)

Notes to the financial statements

4. Taxation (continued)

A deferred tax asset has been recognised on non-taxable fair value adjustments. The date of realisation of the investments held is not known and so has been recognised on the substantively enacted lowest rate of Corporation tax of 17% (2018: 17%). The deferred tax asset on the balance sheet at year end is £239,324 (2018: £478,359).

5. Income from investments

	2019 £	2018 £
Dividends received from UK Companies	<u>2,906,172</u>	<u>2,667,942</u>

6. Investments

For year ended 5 April 2019

	Listed Investments £	Unlisted Investments £	Total £
<i>Fair value:</i>			
At start of year	8,921,858	118,750	9,040,608
Additions	500,000	-	500,000
Disposals	-	-	-
Fair value gains through profit and loss	<u>1,406,086</u>	<u>-</u>	<u>1,406,086</u>
As at 5 April 2019	<u>10,827,944</u>	<u>118,750</u>	<u>10,946,694</u>

For year ended 5 April 2018

	Listed Investments £	Unlisted Investments £	Total £
<i>Fair value:</i>			
At start of year	8,535,820	118,750	8,654,570
Additions	1,713,179	-	1,713,179
Disposals	(956,253)	-	(956,253)
Fair value losses through profit and loss	<u>(370,888)</u>	<u>-</u>	<u>(370,888)</u>
As at 5 April 2018	<u>8,921,858</u>	<u>118,750</u>	<u>9,040,608</u>

7. Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Unpaid allotted share capital	-	-
Deferred tax asset	239,324	478,359
Sundry debtors	<u>214</u>	<u>167</u>
	<u>239,538</u>	<u>478,526</u>

Notes to the financial statements

8. Creditors

	2019 £	2018 £
Amounts falling due within one year:		
Other creditors	14,076	14,826
	<u>14,706</u>	<u>14,826</u>

9. Share capital

	2019 £	2018 £
Authorised and allotted:		
30,399 ordinary shares of £0.01 each	304	304
1 special share of £0.01 each	-	-
	<u>304</u>	<u>304</u>

10. Related party transactions

The directors' interests in the ordinary shares of the company were as follows:

	5 April 2019	5 April 2018
R C W Odey and N Odey	30,099	30,399

11. Controlling party

The company is controlled by Mr R and Mrs N Odey, directors of the company, by virtue of their holding of 100% of the company's issued share capital.