

Company Registration Number SC121376

JAMES HUTTON LIMITED
DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



JAMES HUTTON LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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JAMES HUTTON LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

Professor Colin Campbell
Professor Robert Ferrier
Dr Jonathan Snape
Dr Deborah Keith
Ms Anne Maccoll Turpin
Mr Robin Walker

Secretary

Mr D C Leslie

Registered Office

James Hutton Institute
Invergowrie
Dundee
DD2 5DA

Auditor

French Duncan LLP
Chartered Accountants and Statutory Auditor
113 Finnieston Street
Glasgow
G3 8HB

Bankers

Clydesdale Bank
1 Queens Cross
Aberdeen
AB15 4XU

JAMES HUTTON LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and the audited financial statements for the year ended 31 March 2019.

Principal Activity

The principal activity of James Hutton Limited (JHL) is translating scientific research of The James Hutton Institute (the Institute) into commercial services, licences and products in the agricultural, environmental and exploration and production arena in the oil and gas sector.

Business Review

The turnover of the business for 2018/19 was £4,123k (2017/18 £3,835k) with an operating profit of £859k (2017/18 £603k). No interim gift aid distribution was made during the year (2017/18 £nil) and a final gift aid distribution of £281k (2017/18 £548k) was approved subsequent to the year end. JHL is comprised of three Strategic Business Units (SBU) focused on different customer needs.

The first of these focusses on Plant Breeding Services and the licensing of Plant Variety Rights (PVR). The combined income achieved was £1,196k (2017/18 £1,235k). Income decreased by 3.2% due to the full year effect of the loss of revenues from the Glen Lyon raspberry plant variety rights that expired part way through last year. During the year, new blueberry and blackberry breeding programmes launched last year continued with the likelihood of additional parties joining these programmes as they ramp up. Internationalisation will continue to be a strategic focus, including expanding our plant variety registrations into new territories and supporting Potato Breeding Technologies both in the UK and abroad.

The second SBU is Analytical Services where income was £1,662k (2017/18 £1,837k). This provides specialist analytical services to a diverse range of market sectors including Pharmaceuticals, Oil and Gas exploration, Soil and Environmental monitoring. Oil and Gas, specifically the North Sea sector is the most important area in terms of revenues and while this market has stabilised, it has not yet returned to the levels we saw three or four years ago. Consequently, the market during year showed patchy performance and the overall levels were down slightly on last year. On a positive note, we did see continued good performance within the Lipids division. Soil and water analysis, food authenticity and decommissioning represent growth opportunities for the company moving forward.

The third SBU is Contract Research and Consultancy Services which achieved income of £781k (2017/18 £696k). Income was up on 2018 by 12% due to the completion of a number of contract research projects during the year and our recognising the associated income. The results for the year continue to reflect a very competitive environment for contract tenders.

Future Look

Whilst the company has made significant investments in business development, marketing and new business discovery, key markets such as Oil and Gas for Analytical Services and Plant Contract Research for the private sector are and will continue to be challenging. The company will continue to look for opportunities to develop its business plans and grow the income, including supporting the commercialisation of science developed through its parent Institute, The James Hutton Institute, and international opportunities. In addition, new professional services frameworks and tools continue to be developed to improve efficiencies and maximise profits and further improve delivery to customers.

Directors

The directors throughout the year and to the date of this report are shown on page 1.

JAMES HUTTON LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

Directors' indemnities

The company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Statement of disclosure to auditor

Each of the persons who are a director at the date of approval of this report confirms that:

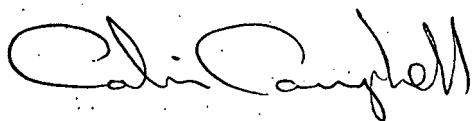
- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (2) the director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

Under section 487(2) of Companies Act 2006, French Duncan LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earliest.

This report has been prepared in accordance with the special provisions relating to small companies contained within Part 15 of the Companies Act 2006.

On behalf of the Board of Directors:



Professor Colin Campbell
Director

Date: 04/12/2019

JAMES HUTTON LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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 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

JAMES HUTTON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAMES HUTTON LIMITED

Opinion

We have audited the financial statements of James Hutton Limited ("the company") for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, Statement of Changes in Equity 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 Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom 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 March 2019 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.

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 over 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.

JAMES HUTTON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAMES HUTTON LIMITED (CONTINUED)

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 the light of our 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions 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 4, 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.

JAMES HUTTON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAMES HUTTON LIMITED (CONTINUED)

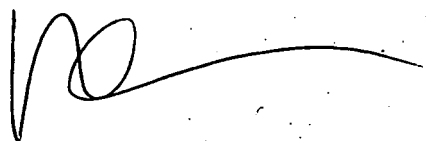
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our 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.



Antony J Sinclair (Senior Statutory Auditor)
for and on behalf of French Duncan LLP

Chartered Accountants and Statutory Auditor
Statutory Auditor

133 Finnieston Street
Glasgow
G3 8HB

Date:

12/12/2019

JAMES HUTTON LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019	2018
		£000	£000
Turnover	2	4,123	3,835
Cost of sales		<u>(2,656)</u>	<u>(2,403)</u>
Gross profit		1,467	1,432
Administrative expenses		(671)	(884)
Other operating income		<u>63</u>	<u>55</u>
Operating profit	3	859	603
Interest receivable		<u>10</u>	<u>6</u>
Profit on ordinary activities before taxation		869	609
Taxation on profit on ordinary activities	6	<u>-</u>	<u>-</u>
Profit for the financial year		869	609
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u><u>869</u></u>	<u><u>609</u></u>

JAMES HUTTON LIMITED

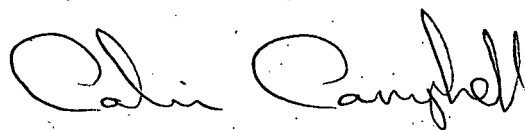
BALANCE SHEET AS AT 31 MARCH 2019

	Note	2019 £000	2018 £000
Fixed Assets			
Tangible fixed assets	8	<u>578</u>	<u>64</u>
Current Assets			
Debtors	9	1,153	953
Cash at bank and in hand		278	662
Investments - bank deposit accounts		<u>1,012</u>	<u>1,003</u>
		<u>2,443</u>	<u>2,618</u>
Creditors: amounts falling due within one year	10	<u>(671)</u>	<u>(653)</u>
Net current assets		<u>1,772</u>	<u>1,965</u>
Total assets less current liabilities		<u>2,350</u>	<u>2,029</u>
Provisions for liabilities	12	-	-
Net Assets		<u><u>2,350</u></u>	<u><u>2,029</u></u>
Represented by:			
Share capital	13	-	-
Profit and loss account		<u>2,350</u>	<u>2,029</u>
Total charity funds		<u><u>2,350</u></u>	<u><u>2,029</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the 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
and were signed on its behalf by:

04/2/2019



Professor Colin Campbell
Director

Company registration number SC121376

JAMES HUTTON LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Note	Share Capital £000	Profit & loss reserves £000	Total equity £000
Balance at 1 April 2018		-	2,029	2,029
Profit & total comprehensive income for the year		-	869	869
Gift aid distribution	7	-	(548)	(548)
Balance at 31 March 2019		-	2,350	2,350

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

		Share Capital £000	Profit & loss reserves £000	Total equity £000
Balance at 1 April 2017		-	1,531	1,531
Profit & total comprehensive income for the year		-	609	609
Gift aid distribution		-	(111)	(111)
Balance at 31 March 2018		-	2,029	2,029

JAMES HUTTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Principal accounting policies

Company information

James Hutton Limited (SC121376) is a private company limited by shares and incorporated in Scotland. The registered office is given in the officers and professional advisors page of these financial statements. The nature of the company's operations and principal activities are set out within the Directors' Report on page 2.

General information and basis of preparation

These financial statements have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in pounds sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand pounds sterling.

The financial statements have been prepared on the historical cost convention. The principal accounting policies are set out below.

FRS 102 reduced disclosure framework

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to presentation of a cash flow statement and remuneration of key management personnel.

The Company's ultimate parent company is The James Hutton Institute, which prepares consolidated financial statements in which the Company's results are included and which are publicly available. Copies of the group financial statements for The James Hutton Institute can be obtained from The James Hutton Institute, Invergowrie, Dundee, DD2 5DA.

Going Concern

At the time of approving the financial statements, having considered sensitised financial forecasts, which take account of uncertainties in the economy, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Gift aid distributions

Gift aid distributions to the parent charitable company are accounted for as reserve movements in the period in which they are formally approved.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other related sales taxes.

Long term contracts

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

No profit is recognised until the contract has advanced to a stage where the total profit can be assessed with reasonable certainty. Provision is made for the full amount of foreseeable losses on contracts.

Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account after deducting foreseeable losses and payments on account not matched with turnover.

JAMES HUTTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

1. Principal accounting policies (continued)

Analytical Services

Income from analytical services is recognised in the period when the service is provided.

Royalty income

Royalty income is recognised on a receipts basis, being the point at which entitlement is virtually certain.

Research and development expenditure

Expenditure on research and development is expensed to the profit and loss account in the year in which it is incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Apparatus, plant and machinery - 3 -10 years

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Investments

Investments are stated at cost less any provision for impairment.

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 accounts 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 receivables 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

JAMES HUTTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

1. Principal accounting policies (continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 at the balance sheet date.

Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

JAMES HUTTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

1. Principal accounting policies (continued)

Pensions

The company operates a group personal pension arrangement for its employees, the costs of which are charged to the profit and loss account as they fall due. Benefits are accumulated on a money purchase basis and contributions are defined as a percentage of basic annual salary.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date. Gains or losses on translation are included in the profit and loss account.

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements or estimation uncertainties have a significant effect on amounts recognised in the financial statements:

- In determining the amount of any surplus or deficit to be recognised on long term contracts, management must consider the likely eventual outcome of the contract. This involves judgement in determining the stage of completion and an estimate of further costs to come.
- Management also make an assessment of the recoverability of trade and other debtors.

2 Turnover

An analysis of the Company's turnover is as follows:

	2019 £000	2018 £000
Turnover		
Analytical services	1,662	1,837
Research and consultancy services	781	696
Plant breeding services	729	725
Royalties	467	510
Other	484	67
	<u>4,123</u>	<u>3,835</u>
	2019 £000	2018 £000
Turnover analysed by geographical market		
UK	2,858	2,435
Europe	792	928
Rest of the world	473	472
	<u>4,123</u>	<u>3,835</u>

JAMES HUTTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

3 Operating profit

	2019	2018
	£000	£000
Operating profit is stated after charging		
Fees payable to the company's auditor for audit of the company's financial statements	14	9
Depreciation – owned assets	30	22
	<u>30</u>	<u>22</u>

Fees payable to the company's auditor for other services are disclosed in the financial statements of The James Hutton Institute.

4 Employees

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

	2019	2018
	Number	Number
Scientific	30	25
Other	10	9
	<u>40</u>	<u>34</u>

	2019	2018
	£000	£000
Wages and salaries	1,104	1,125
Social security costs	104	104
Pension costs	151	151
Other benefits	3	26
	<u>1,362</u>	<u>1,406</u>

5 Directors' remuneration

	2019	2018
	£000	£000
Remuneration	101	132
Pension contributions	22	25
	<u>123</u>	<u>157</u>

The directors for whom retirement benefits are accruing under money purchase schemes is 1 (2018:2)

Remuneration disclosed above includes the following amounts paid to the highest paid director.

Remuneration	77	73
Pension contributions	22	20
	<u>77</u>	<u>73</u>

JAMES HUTTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

6 Taxation on profit on ordinary activities

	2019 £000	2018 £000
The taxation (credit)/charge comprises:		
Current tax		
UK corporation taxation	-	-
Total current taxation	-	-
Deferred taxation		
Origination and reversal of timing differences (note 12)	-	-
Total taxation on profit on ordinary activities	-	-
Factors affecting current taxation charge for the year		
Profit on ordinary activities before taxation	<u>869</u>	<u>609</u>
Profit on ordinary activities multiplied by the standard rate of corporate taxation in the UK of 19% (2018: 19%)	165	116
<i>Effects of:</i>		
Net R&D adjustments	(12)	(10)
Gift aid payable	(54)	(104)
Expenses not deductible for taxation purposes	-	1
Capital grant not taxable	(70)	-
Deferred tax not recognised	<u>(29)</u>	<u>(3)</u>
Total taxation charge for the year	<u>-</u>	<u>-</u>

7. Gift aid distributions

A distribution of £548,000 (2018: £111,000) was made to The James Hutton Institute during the year out of the previous year's profit. An interim distribution of £nil (2018: £nil) was made out of current year profits. Subsequent to the year end, a distribution of £281,000 has been approved in respect of the year ended 31 March 2019 and this will be paid prior to 31 December 2019. The James Hutton Institute is a registered charity, and payments are made under the Gift Aid scheme.

JAMES HUTTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

8 Tangible fixed assets

	Apparatus, plant & machinery £000
Cost	
At 1 April 2018	686
Additions	544
At 31 March 2019	1,230
Accumulated depreciation	
At 1 April 2018	622
Charge for the year	30
At 31 March 2019	652
Net book value	
At 31 March 2019	578
At 31 March 2018	64

9 Debtors: Amounts falling due within one year

	2019 £000	2018 £000
Trade debtors	523	683
Amounts recoverable on contracts	97	159
Prepayments and accrued income	533	111
	1,153	953

10 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	9	104
Amounts owed to group undertakings	355	136
Other tax and social security costs	96	79
Payments on account	112	217
Accruals	85	104
Other creditors	14	13
	671	653

11 Financial instruments

The carrying value of financial assets and financial liabilities was as follows:

	2019 £000	2018 £000
Financial assets that are debt instruments measured at amortised cost	2,304	2,559
Financial liabilities measured at amortised cost	449	335

JAMES HUTTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (CONTINUED)

12 Provisions for liabilities

	2019 £000	Profit and loss account £000	2018 £000
Deferred taxation (note 6)	-	-	-

	2019 £000	2018 £000
Deferred tax is provided as follows:		
Accelerated capital allowances	-	-

At 31 March 2019, the company has an unprovided deferred tax liability of £22,000 (2018: deferred tax asset of £3,000).

13 Share capital

	2019 £000	2018 £000
Allotted, called up and fully paid:		
2 ordinary shares of £1 each	-	-

14. Reserves

The profit and loss account represents cumulative profits and losses net of distributions and other adjustments.

15. Capital Commitments

At the year end, the Company was committed to purchasing tangible fixed assets of £95k (2018 - £nil).

16. Pensions

The company operates a group personal pension arrangement with AEGON, which came into effect October 2015. The scheme is a Self-Invested Personal Pension (SIPP) with contribution rates of 13% - 28.38%. The assets of the scheme, which are invested with an insurance company, are held separately from those of the company. Benefits are accumulated on a money purchase basis and contributions are defined as a percentage of basic annual salary. Contributions payable by the company are charged to the profit and loss account as they fall due.

17. Related party transactions

As the Company is a wholly owned subsidiary of The James Hutton Institute which prepares consolidated financial statements the Company is exempt from the requirement to disclose further information with regard to related party transactions which are eliminated on consolidation. There were no other material related party transactions.

18. Parent undertaking

The immediate and ultimate parent undertaking of the company throughout the year was The James Hutton Institute.

A copy of the group financial statements can be obtained from the James Hutton Institute, Invergowrie, Dundee DD2 5DA.