

**North Hill Farms Limited**  
**Unaudited**  
**Financial statements**  
**For the Year Ended 30 September 2017**

**Fletcher & Partners**  
**Chartered Accountants**  
**Salisbury**

**North Hill Farms Limited**  
**Registered number:00729086**

**Balance Sheet**  
**As at 30 September 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	4	1,760,487	1,753,773
Investments	5	166	166
		<hr/>	<hr/>
		1,760,653	1,753,939
<b>Current assets</b>			
Stocks	6	1,112,657	1,103,199
Debtors: amounts falling due within one year	7	250,477	314,637
Cash at bank and in hand	8	315,320	291,579
		<hr/>	<hr/>
		1,678,454	1,709,415
Creditors: amounts falling due within one year	9	(558,610)	(580,748)
		<hr/>	<hr/>
<b>Net current assets</b>		1,119,844	1,128,667
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		2,880,497	2,882,606
Creditors: amounts falling due after more than one year	10	(216,558)	(147,986)
<b>Provisions for liabilities</b>			
Deferred tax	12	(241,054)	(269,328)
		<hr/>	<hr/>
		(241,054)	(269,328)
<b>Net assets</b>		<hr/> <b>2,422,885</b> <hr/>	<hr/> <b>2,465,292</b> <hr/>
<b>Capital and reserves</b>			
Called up share capital		502,000	502,000
Profit and loss account		1,920,885	1,963,292
		<hr/>	<hr/>
		<b>2,422,885</b> <hr/>	<b>2,465,292</b> <hr/>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

**North Hill Farms Limited**  
**Registered number:00729086**

**Balance Sheet (continued)**  
**As at 30 September 2017**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 May 2018

**The Rt. Hon. William Herbert, Earl of Pembroke**

Director

The notes on pages 3 to 10 form part of these financial statements.

## **North Hill Farms Limited**

### **Notes to the Financial Statements For the Year Ended 30 September 2017**

#### **1. General information**

North Hills Farms Limited is a private company limited by shares and incorporated in England. Its registered office is The Estate Office, Wilton, Salisbury, Wiltshire, SP2 0BJ.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

##### **2.2 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Notes to the Financial Statements  
For the Year Ended 30 September 2017**

**2. Accounting policies (continued)**

**2.3 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Property improvements	-	10%
Plant and machinery	-	10%
Motor vehicles	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.4 Valuation of investments**

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**2.5 Stocks**

Stock is valued at the lower of cost and net realisable value. Cost is defined as being expenditure which has been incurred in the normal course of business in bringing the product to its present location and includes an appropriate proportion of fixed overheads in relation to harvest. Net realisable value is defined as the estimated selling prices less any further costs to completion and selling prices.

**2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.8 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition

**Notes to the Financial Statements  
For the Year Ended 30 September 2017**

**2. Accounting policies (continued)**

**2.8 Financial instruments (continued)**

of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**2.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.10 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**2.11 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

**2.12 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**Notes to the Financial Statements  
For the Year Ended 30 September 2017**

**2. Accounting policies (continued)**

**2.13 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.14 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**3. Employees**

The average monthly number of employees, including directors, during the year was 9 (2016 - 9).

North Hill Farms Limited

Notes to the Financial Statements  
For the Year Ended 30 September 2017

4. Tangible fixed assets

	Property Improvem't £	Plant and machinery £	Motor vehicles, tractors & combines £	Production Herd £	Total £
<b>Cost or valuation</b>					
At 1 October 2016	195,657	1,897,664	1,047,068	2,760	3,143,149
Additions	-	306,015	74,000	-	380,015
Disposals	-	(176,467)	(55,540)	-	(232,007)
At 30 September 2017	195,657	2,027,212	1,065,528	2,760	3,291,157
<b>Depreciation</b>					
At 1 October 2016	143,390	595,998	649,988	-	1,389,376
Charge for the year on owned assets	5,227	122,623	483	-	128,333
Charge for the year on financed assets	-	26,874	90,821	-	117,695
Disposals	-	(63,754)	(40,980)	-	(104,734)
At 30 September 2017	148,617	681,741	700,312	-	1,530,670
<b>Net book value</b>					
At 30 September 2017	47,040	1,345,471	365,216	2,760	1,760,487
At 30 September 2016	52,267	1,301,666	397,080	2,760	1,753,773

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Plant and machinery	363,282	280,462
Motor vehicles, tractors & combines	367,996	394,663
	<u>731,278</u>	<u>675,125</u>



North Hill Farms Limited

Notes to the Financial Statements  
For the Year Ended 30 September 2017

5. Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 October 2016	166
At 30 September 2017	166
<b>Net book value</b>	
At 30 September 2017	166
At 30 September 2016	166

6. Stocks

	2017 £	2016 £
Livestock, hay, tenantrights and growing crops	1,112,657	1,103,199
	<u>1,112,657</u>	<u>1,103,199</u>

7. Debtors

	2017 £	2016 £
Trade debtors	214,580	282,531
Other debtors	16,659	21,015
Prepayments and accrued income	19,238	11,091
	<u>250,477</u>	<u>314,637</u>

8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	315,320	291,579
	<u>315,320</u>	<u>291,579</u>

North Hill Farms Limited

Notes to the Financial Statements  
For the Year Ended 30 September 2017

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	257,077	246,608
Corporation tax	7,988	23,582
Obligations under finance lease and hire purchase contracts	156,918	167,448
Accruals and deferred income	132,749	122,046
Financial instruments	3,878	21,064
	<u>558,610</u>	<u>580,748</u>

10. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	216,558	147,986
	<u>216,558</u>	<u>147,986</u>

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	156,917	167,448
Between 2-5 years	216,558	147,986
	<u>373,475</u>	<u>315,434</u>

12. Deferred taxation

	2017 £
At beginning of year	(269,328)
Charged to profit or loss	(59,417)
Utilised in year	87,691
At end of year	<u>(241,054)</u>

**North Hill Farms Limited**

**Notes to the Financial Statements  
For the Year Ended 30 September 2017**

**12. Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

	2017 £
Accelerated capital allowances	(181,637)
Rollover relief	(59,417)
	<hr/>
	<u>(241,054)</u>

**13. Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charged represents contributions payable by the company to the fund and amounted to £11,859 (2016: £11,670). Retirement benefits are accruing to one director under the scheme amounted to £1,200 (2016: £1,200)