

REGISTERED NUMBER: 00813043 (England and Wales)

**STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2018
FOR
HAROLD W SMART & SON LIMITED**

SATURDAY



A22 *A7IWNJC3* 17/11/2018 #325
COMPANIES HOUSE

Chris Duckett Limited
Chartered Accountants & Statutory Auditors
Thorn Office Centre
Rotherwas
Hereford
HR2 6JT

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018**

	Page
Company information	1
Strategic report	2
Report of the directors	4
Report of the independent auditors	6
Income statement	9
Other comprehensive income	10
Balance sheet	11
Statement of changes in equity	13
Cash flow statement	14
Notes to the cash flow statement	15
Notes to the financial statements	16

HAROLD W SMART & SON LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2018**

Directors:

P J Smart
D P Smart

Secretary:

P J Smart

Registered office:

Stone End Farm
Churcham
Gloucestershire
GL2 8AA

Registered number:

00813043 (England and Wales)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MARCH 2018**

The directors present their strategic report for the year ended 31st March 2018.

Principal activity

The company is an Agribusiness operating arable farms, poultry sites, renewable enterprises and property.

Review of business

The directors are pleased with the performance of the company. A summary of the year's trading results is given on page 7 of the accounts.

Turnover is lower than last year at £12.5m compared to £14.8m. This is primarily due to a softening of prices. Prices are now picking up again.

The business requires continuous investment in both production buildings and associated equipment which invariably runs on a cycle in excess of a single year. Overheads are closely managed and kept under control.

From a balance sheet perspective, the company owns a portfolio of investment properties which also requires a steady flow of expenditure, but creates returns that are not generally prone to market volatility and represent a sensible management of risk.

Despite significant investments within the 12 month period, bank balances are only slightly lower than last year, but still give the directors the tactical ability to take advantage of opportunities as they arise. Dividend policy has been unchanged for some years. No significant operational changes are expected for the forthcoming year.

Principal risks and uncertainties

The key business risks and uncertainties affecting the company are considered to relate to:

- market conditions in the United Kingdom against a backdrop of Brexit uncertainty
- weather conditions
- bio-security issues and disease

The company aims to create value by delivering consistent high quality products into a competitive market place. They aim to do this through investment into management, staff, machinery and buildings.

The directors monitor the state of the market segments that affect the business and evolve the business strategy as required.

Key performance indicators

The company utilises a range of measures to assess its performance. These range from financial measures across the company as a whole to operational measures within individual sections including benchmarking against similar businesses.

HAROLD W SMART & SON LIMITED (REGISTERED NUMBER: 00813043)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MARCH 2018**

Development and performance

The directors will continue to build cash reserves in order to take advantage of opportunities as they arise.

On behalf of the board:



P J Smart - Director

13th November 2018

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2018**

The directors present their report with the financial statements of the company for the year ended 31st March 2018.

Dividends

The directors recommend that a final dividend of £80,000 be paid, and the remainder be transferred to reserves.

Future developments

The directors expect improvement in the level of activity and operational profits for the forthcoming year ending 31st March 2019. No significant changes in the operational activities are expected in the foreseeable future. However, the directors will continue to hold reasonable cash reserves to enable the Company to take advantage of opportunities as they arise.

Directors

The directors shown below have held office during the whole of the period from 1st April 2017 to the date of this report.

P J Smart

D P Smart

Financial instruments

The company enters into no complex financial instruments.

Close company status

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Report of the directors 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

HAROLD W SMART & SON LIMITED (REGISTERED NUMBER: 00813043)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2018**

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the 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 auditors are aware of that information.

On behalf of the board:



P J Smart - Director

13th November 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAROLD W SMART & SON LIMITED

Opinion

We have audited the financial statements of (the 'company') for the year ended 31st March 2018 which comprise the Income statement, Balance sheet 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 UK 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 31st March 2018 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 Auditors' 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 about 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 in the Strategic report and the Report of the directors, but does not include the financial statements and our Report of the auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAROLD W SMART & SON LIMITED

Opinion 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 Strategic report and the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Report of the directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Report of the directors.

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.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities set out on page four, 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 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.

Our responsibilities for the audit of the financial statements

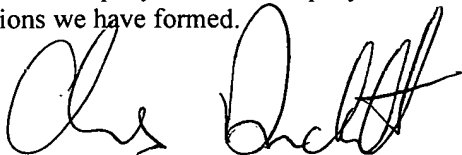
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HAROLD W SMART & SON LIMITED**

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 a Report of the auditors 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.



Chris Duckett (Senior Statutory Auditor)
for and on behalf of Chris Duckett Limited
Chartered Accountants & Statutory Auditors
Thorn Office Centre
Rotherwas
Hereford
HR2 6JT

13th November 2018

HAROLD W SMART & SON LIMITED (REGISTERED NUMBER: 00813043)**INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2018**

	Notes	31.3.18 £	31.3.17 £
Turnover		12,520,151	14,875,294
Cost of sales		<u>9,888,549</u>	<u>11,851,689</u>
Gross profit		2,631,602	3,023,605
Administrative expenses		<u>1,784,861</u>	<u>1,684,920</u>
		846,741	1,338,685
Other operating income		<u>77,018</u>	<u>75,714</u>
Operating profit	4	923,759	1,414,399
Interest receivable and similar income	5	<u>6,513</u>	<u>7,353</u>
		930,272	1,421,752
Interest payable and similar expenses	6	<u>146,047</u>	<u>158,573</u>
Profit before taxation		784,225	1,263,179
Tax on profit	7	<u>73,764</u>	<u>115,443</u>
Profit for the financial year		<u><u>710,461</u></u>	<u><u>1,147,736</u></u>

The notes form part of these financial statements

HAROLD W SMART & SON LIMITED (REGISTERED NUMBER: 00813043)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2018**

	Notes	31.3.18 £	31.3.17 £
Profit for the year		710,461	1,147,736
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>710,461</u>	<u>1,147,736</u>

The notes form part of these financial statements

HAROLD W SMART & SON LIMITED (REGISTERED NUMBER: 00813043)**BALANCE SHEET
31ST MARCH 2018**

	Notes	£	31.3.18 £	£	31.3.17 £
Fixed assets					
Tangible assets	9		8,637,253		9,092,527
Investments	10		1,054		1,054
Investment property	11		<u>3,431,553</u>		<u>3,257,987</u>
			12,069,860		12,351,568
Current assets					
Stocks	12	1,532,558		1,115,271	
Debtors	13	703,432		1,280,970	
Cash at bank and in hand		<u>1,901,127</u>		<u>1,964,906</u>	
		4,137,117		4,361,147	
Creditors					
Amounts falling due within one year	14	<u>2,208,358</u>		<u>2,726,707</u>	
Net current assets			<u>1,928,759</u>		<u>1,634,440</u>
Total assets less current liabilities			13,998,619		13,986,008
Creditors					
Amounts falling due after more than one year	15		(3,497,258)		(3,965,860)
Provisions for liabilities	18		(442,900)		(519,600)
Accruals and deferred income	19		<u>(752,851)</u>		<u>(825,399)</u>
Net assets			<u>9,305,610</u>		<u>8,675,149</u>

The notes form part of these financial statements

HAROLD W SMART & SON LIMITED (REGISTERED NUMBER: 00813043)

BALANCE SHEET - continued
31ST MARCH 2018

		31.3.18	31.3.17
	Notes	£	£
Capital and reserves			
Called up share capital	20	3,000	3,000
Undistributable reserves	21	1,374,677	1,374,677
Retained earnings	21	<u>7,927,933</u>	<u>7,297,472</u>
Shareholders' funds		<u>9,305,610</u>	<u>8,675,149</u>

The financial statements were approved by the Board of Directors on 13th November 2018 and were signed on its behalf by:



P J Smart - Director

The notes form part of these financial statements

HAROLD W SMART & SON LIMITED (REGISTERED NUMBER: 00813043)

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

	Called up share capital £	Retained earnings £	Undistrib. reserves £	Total equity £
Balance at 1st April 2016	3,000	6,229,736	1,374,677	7,607,413
Changes in equity				
Dividends	-	(80,000)	-	(80,000)
Total comprehensive income	-	<u>1,147,736</u>	-	<u>1,147,736</u>
Balance at 31st March 2017	<u>3,000</u>	<u>7,297,472</u>	<u>1,374,677</u>	<u>8,675,149</u>
Changes in equity				
Dividends	-	(80,000)	-	(80,000)
Total comprehensive income	-	<u>710,461</u>	-	<u>710,461</u>
Balance at 31st March 2018	<u>3,000</u>	<u>7,927,933</u>	<u>1,374,677</u>	<u>9,305,610</u>

The notes form part of these financial statements

HAROLD W SMART & SON LIMITED (REGISTERED NUMBER: 00813043)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2018**

	Notes	31.3.18 £	31.3.17 £
Cash flows from operating activities			
Cash generated from operations	1	1,452,396	1,541,360
Interest paid		(144,360)	(155,666)
Interest element of hire purchase payments paid		(1,687)	(2,907)
Tax paid		(226,964)	(127,612)
Taxation refund		-	83,069
Net cash from operating activities		<u>1,079,385</u>	<u>1,338,244</u>
Cash flows from investing activities			
Purchase of fixed assets (net of grants)		(252,169)	(694,381)
Purchase of investment property		(173,566)	(37,733)
Sale of fixed assets		49,333	104,400
Interest received		<u>6,513</u>	<u>7,353</u>
Net cash from investing activities		<u>(369,889)</u>	<u>(620,361)</u>
Cash flows from financing activities			
New loans in year		-	250,000
Loan repayments in year		(449,405)	(425,204)
New HP in year		119,460	99,550
Capital repayments in year		(180,432)	(149,167)
Amount withdrawn by directors		(182,898)	65,395
Equity dividends paid		<u>(80,000)</u>	<u>(80,000)</u>
Net cash from financing activities		<u>(773,275)</u>	<u>(239,426)</u>
(Decrease)/increase in cash and cash equivalents		<u>(63,779)</u>	<u>478,457</u>
Cash and cash equivalents at beginning of year	2	<u>1,964,906</u>	<u>1,486,449</u>
Cash and cash equivalents at end of year	2	<u><u>1,901,127</u></u>	<u><u>1,964,906</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2018**

1. Reconciliation of profit before taxation to cash generated from operations

	31.3.18	31.3.17
	£	£
Profit before taxation	784,225	1,263,179
Depreciation charges	701,794	677,085
Profit on disposal of fixed assets	(43,684)	(65,079)
Finance costs	146,047	158,573
Finance income	<u>(6,513)</u>	<u>(7,353)</u>
	1,581,869	2,026,405
(Increase)/decrease in stocks	(417,287)	537,570
Decrease/(increase) in trade and other debtors	577,538	(778,330)
Decrease in trade and other creditors	<u>(289,724)</u>	<u>(244,285)</u>
Cash generated from operations	<u>1,452,396</u>	<u>1,541,360</u>

2. Cash and cash equivalents

The amounts disclosed on the Cash flow statement in respect of cash and cash equivalents are in respect of these Balance sheet amounts:

Year ended 31st March 2018

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	<u>1,901,127</u>	<u>1,964,906</u>

Year ended 31st March 2017

	31.3.17	1.4.16
	£	£
Cash and cash equivalents	<u>1,964,906</u>	<u>1,486,449</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018**

1. Statutory information

Harold W Smart & Son Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover all of which arises in the UK, represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Tangible fixed assets are stated in the Balance Sheet at cost less depreciation. Depreciation is provided at the following rates, in order to write off each asset over its estimated useful life;

Buildings	2% - 4% straight line
Tenants improvements	10% straight line
Plant & machinery	15%-25% reducing balance; 10%-25% straight line
Cottage fixtures & fittings	10% reducing balance
Motor vehicles	25% reducing balance

Investment property

Investment properties are included at open market value on completion and no depreciation charged except for property held on short leases. Changes in market value are recognised in the STRGL and not the profit and loss unless the deficit is expected to be permanent.

Stocks

Stock is valued at the lower of cost and net realisable value. Growing crops have been valued according to the cost of the feeds, seeds and fertilisers applied, together with any contracting charges incurred.

Net realisable value is estimated at selling price less further costs expected to be incurred to completion and disposal.

Work in progress

Work in progress is included in the accounts as a proportion of the full sales value based on the level of completion. At the year end the work in progress value is treated as turnover in the profit and loss account and included within debtors in the balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2018**

2. Accounting policies - continued

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and 'Other Financial Instruments Issues' of FRS102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements 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 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at the cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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 initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2018**

2. Accounting policies - continued

Basic financial liabilities, including trade and other payables are measured at the transaction price. Other financial liabilities, including bank loans and preference shares that are classified as debt, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Other financial liabilities

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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Hire purchase

Assets held under hire purchase contracts are capitalised as tangible fixed assets and depreciated over the useful lives of the assets. The capital elements of future obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the contracts on a straight line basis.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2018**

2. Accounting policies - continued

Investments

Fixed asset investments are shown at cost less provision for permanent diminution in value.

Grants

Grants of a capital nature are credited to the Balance Sheet and amortised over the life of the assets to which they relate.

3. Employees and directors

	31.3.18	31.3.17
	£	£
Wages and salaries	596,922	622,597
Social security costs	27,484	26,430
Other pension costs	<u>4,812</u>	<u>2,429</u>
	<u>629,218</u>	<u>651,456</u>

The average number of employees during the year was as follows:

	31.3.18	31.3.17
Poultry & arable	<u>18</u>	<u>18</u>

	31.3.18	31.3.17
	£	£
Directors' remuneration	160,000	160,000
Directors' pension contributions to money purchase schemes	<u>2,429</u>	<u>2,429</u>

4. Operating profit

The operating profit is stated after charging/(crediting):

	31.3.18	31.3.17
	£	£
Depreciation - owned assets	583,641	547,258
Depreciation - assets on hire purchase contracts	118,153	129,827
Profit on disposal of fixed assets	(43,684)	(65,079)
Amortisation of grant	(72,548)	(72,548)
Auditors' fees	<u>15,000</u>	<u>12,500</u>

Included within auditors remuneration is £2,500 (2017: £2,500) relating to non audit services.

HAROLD W SMART & SON LIMITED (REGISTERED NUMBER: 00813043)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2018**

5. Interest receivable and similar income

	31.3.18	31.3.17
	£	£
Interest receivable	<u>6,513</u>	<u>7,353</u>

6. Interest payable and similar expenses

	31.3.18	31.3.17
	£	£
Other interest	144,360	155,666
Hire purchase charges	<u>1,687</u>	<u>2,907</u>
	<u>146,047</u>	<u>158,573</u>

7. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.3.18	31.3.17
	£	£
Current tax:		
UK corporation tax	150,500	227,000
UK corporation tax prior year	<u>(36)</u>	<u>(82,657)</u>
Total current tax	150,464	144,343
Deferred tax	<u>(76,700)</u>	<u>(28,900)</u>
Tax on profit	<u>73,764</u>	<u>115,443</u>

UK corporation tax has been charged at 19% (2017 - 20%).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2018

7. Taxation - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.18	31.3.17
	£	£
Profit before tax	<u>784,225</u>	<u>1,263,179</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	149,003	252,636
Effects of:		
Income not taxable for tax purposes	(13,831)	(14,405)
Depreciation in excess of capital allowances	59,391	35,210
Deferred tax relating to the origination and reversal of timing differences	(76,700)	(28,500)
Research & development enhanced deduction	(44,099)	(46,841)
Adjustments to tax charge in respect of previous periods re R&D	<u>-</u>	<u>(82,657)</u>
Total tax charge	<u>73,764</u>	<u>115,443</u>

8. Dividends

	31.3.18	31.3.17
	£	£
Ordinary shares shares of £1 each		
Interim	<u>80,000</u>	<u>80,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2018

9. Tangible fixed assets

	Land & buildings £	Tenant Improvement £	Plant and machinery £
Cost			
At 1st April 2017	6,986,322	146,869	7,397,122
Additions	16,200	-	224,785
Disposals	(4,500)	-	(58,000)
At 31st March 2018	<u>6,998,022</u>	<u>146,869</u>	<u>7,563,907</u>
Depreciation			
At 1st April 2017	1,168,942	146,869	4,246,627
Charge for year	45,943	-	627,038
Eliminated on disposal	-	-	(57,225)
At 31st March 2018	<u>1,214,885</u>	<u>146,869</u>	<u>4,816,440</u>
Net book value			
At 31st March 2018	<u>5,783,137</u>	<u>-</u>	<u>2,747,467</u>
At 31st March 2017	<u>5,817,380</u>	<u>-</u>	<u>3,150,495</u>
	Cottage /office fixtures & fittings £	Motor vehicles £	Totals £
Cost			
At 1st April 2017	111,501	222,699	14,864,513
Additions	2,084	9,100	252,169
Disposals	-	(15,803)	(78,303)
At 31st March 2018	<u>113,585</u>	<u>215,996</u>	<u>15,038,379</u>
Depreciation			
At 1st April 2017	76,992	132,556	5,771,986
Charge for year	4,094	24,719	701,794
Eliminated on disposal	-	(15,429)	(72,654)
At 31st March 2018	<u>81,086</u>	<u>141,846</u>	<u>6,401,126</u>
Net book value			
At 31st March 2018	<u>32,499</u>	<u>74,150</u>	<u>8,637,253</u>
At 31st March 2017	<u>34,509</u>	<u>90,143</u>	<u>9,092,527</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2018**

9. Tangible fixed assets - continued

Included in cost of land and buildings is freehold land of £4,464,717 (2017 - £4,469,218) which is not depreciated.

The net book value of tangible fixed assets includes £385,659 (2017 - £467,476) in respect of assets held under hire purchase contracts.

10. Fixed asset investments

	Unlisted investments £
Cost	
At 1st April 2017 and 31st March 2018	<u>1,054</u>
Net book value	
At 31st March 2018	<u>1,054</u>
At 31st March 2017	<u>1,054</u>

11. Investment property

	Total £
Fair value	
At 1st April 2017	3,257,987
Additions	<u>173,566</u>
At 31st March 2018	<u>3,431,553</u>
Net book value	
At 31st March 2018	<u>3,431,553</u>
At 31st March 2017	<u>3,257,987</u>

The investment property was valued on the basis of open market value as at 31.03.18 by the directors.

During the year, a further £173,566 was spent on the investment property.

HAROLD W SMART & SON LIMITED (REGISTERED NUMBER: 00813043)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2018**

11. Investment property - continued

Fair value at 31st March 2018 is represented by:

	£
Valuation in 2012	1,118,346
Valuation in 2016	600,000
Cost	<u>1,713,207</u>
	<u>3,431,553</u>

12. Stocks

	31.3.18	31.3.17
	£	£
Livestock, supplies & stores	<u>1,532,558</u>	<u>1,115,271</u>

13. Debtors: amounts falling due within one year

	31.3.18	31.3.17
	£	£
Trade debtors	561,918	1,167,845
Other debtors	89,953	62,717
Prepayments	<u>51,561</u>	<u>50,408</u>
	<u>703,432</u>	<u>1,280,970</u>

14. Creditors: amounts falling due within one year

	31.3.18	31.3.17
	£	£
Bank loans and overdrafts (see note 16)	438,378	456,697
Hire purchase contracts (see note 17)	104,850	128,306
Trade creditors	825,055	1,052,449
Corporation tax	150,500	227,000
Social security & other taxes	32,504	33,906
Other creditors	69,756	64,496
Directors' loan accounts	354,225	537,123
Accruals & deferred income	<u>233,090</u>	<u>226,730</u>
	<u>2,208,358</u>	<u>2,726,707</u>

HAROLD W SMART & SON LIMITED (REGISTERED NUMBER: 00813043)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2018**

15. Creditors: amounts falling due after more than one year

	31.3.18	31.3.17
	£	£
Bank loans (see note 16)	3,387,591	3,818,677
Hire purchase contracts (see note 17)	<u>109,667</u>	<u>147,183</u>
	<u>3,497,258</u>	<u>3,965,860</u>

16. Loans

An analysis of the maturity of loans is given below:

	31.3.18	31.3.17
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>438,378</u>	<u>456,697</u>
Amounts falling due between two and five years:		
Bank loans	<u>900,929</u>	<u>1,284,704</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Bank loans	<u>1,458,921</u>	<u>1,459,085</u>
Repayable by instalments		
Bank loans	<u>1,027,741</u>	<u>1,074,888</u>

The bank loans are secured by a fixed and floating charge over the assets of the company, together with a 1st legal charge over property owned by the company.

The majority of the loans repayable after more than 5 years are to be repaid by 2035. The interest rates applied vary between 2% above base rate and 5.99%.

HAROLD W SMART & SON LIMITED (REGISTERED NUMBER: 00813043)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2018**

17. Leasing agreements

Minimum lease payments under hire purchase fall due as follows:

	31.3.18	31.3.17
	£	£
Net obligations repayable:		
Within one year	104,850	128,306
Between one and five years	<u>109,667</u>	<u>147,183</u>
	<u>214,517</u>	<u>275,489</u>

18. Provisions for liabilities

	31.3.18	31.3.17
	£	£
Deferred tax	<u>442,900</u>	<u>519,600</u>

	Deferred tax
	£
Balance at 1st April 2017	519,600
Accelerated capital allowances	<u>(76,700)</u>
Balance at 31st March 2018	<u>442,900</u>

19. Accruals and deferred income

	31.3.18	31.3.17
	£	£
Capital grants:		
Balance brought forward	825,399	897,947
Additions	-	-
Amortisation	<u>(72,548)</u>	<u>(72,548)</u>
	<u>752,851</u>	<u>825,399</u>

The grants are amortised over the useful life of the assets.

Contingent Liability

There is a contingent liability to repay the grants until 2019/2020.

HAROLD W SMART & SON LIMITED (REGISTERED NUMBER: 00813043)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2018**

20. Called up share capital

Allotted, issued and fully paid:		Nominal value:	31.3.18	31.3.17
Number:	Class:		£	£
3,000	Ordinary shares	£1	<u>3,000</u>	<u>3,000</u>

21. Reserves

	Retained earnings £	Undistrib. reserves £	Totals £
At 1st April 2017	7,297,472	1,374,677	8,672,149
Profit for the year	710,461		710,461
Dividends	<u>(80,000)</u>		<u>(80,000)</u>
At 31st March 2018	<u>7,927,933</u>	<u>1,374,677</u>	<u>9,302,610</u>

22. Related party disclosures

During the year, the Directors etc. used a current account with the company to record amounts due to them and amounts drawn by them. The amounts owed by the company at the end of the year was £373,044 (2017: £554,121).

During the year, the company was charged rent totalling £55,626 (2017: £55,626) by the Directors.

Dividends totalling £80,000 (2017: £80,000) were paid to the Directors and shareholders.

Personal guarantees totalling £2m have been provided by the Directors and their parents.

The Directors are the key management personnel and their remuneration is disclosed in Note 3 of the accounts.

23. Ultimate controlling party

The company is controlled by PJ & DP Smart.