

**REGISTERED NUMBER: 00853018 (England and Wales)**

**Unaudited Financial Statements for the Year Ended 30th June 2017**

**for**

**Warden Farming Company Limited**

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*for the year ended 30th June 2017*

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# Warden Farming Company Limited

## Company Information

*for the year ended 30th June 2017*

**DIRECTORS:**

Mrs M.S. Ward BSc, FRAg, NSch, MBE  
Mr S.T. Ward BSc, NSch, ARAg

**SECRETARY:**

Mrs S Cooper

**REGISTERED OFFICE:**

Grayingham Grange Farm  
Grayingham  
Gainsborough  
Lincolnshire  
DN21 4JD

**REGISTERED NUMBER:**

00853018 (England and Wales)

**ACCOUNTANTS:**

Smailes Goldie Turner Limited  
Chartered Accountants  
Regent's Court  
Princess Street  
Hull  
East Yorkshire  
HU2 8BA

**Warden Farming Company Limited (Registered number: 00853018)**

**Balance Sheet**

30th June 2017

	Notes	2017 £	£	2016 £	£
<b>FIXED ASSETS</b>					
Intangible assets	4		81,784		95,415
Tangible assets	5		4,107,285		4,164,051
Investments	6		2		2
Investment property	7		1,153,200		1,153,200
			<u>5,342,271</u>		<u>5,412,668</u>
<b>CURRENT ASSETS</b>					
Stocks		551,874		569,532	
Debtors	8	<u>373,155</u>		<u>352,838</u>	
		925,029		922,370	
<b>CREDITORS</b>					
Amounts falling due within one year	9	<u>902,824</u>		<u>1,168,107</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>22,205</u>		<u>(245,737)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>5,364,476</u>		<u>5,166,931</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	10		(134,900)		(144,574)
<b>PROVISIONS FOR LIABILITIES</b>			<u>(380,183)</u>		<u>(365,461)</u>
<b>NET ASSETS</b>			<u>4,849,393</u>		<u>4,656,896</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			1,000		1,000
Revaluation reserve	12		1,073,200		1,073,200
Other reserves			59,586		68,670
Retained earnings			3,715,607		3,514,026
<b>SHAREHOLDERS' FUNDS</b>			<u>4,849,393</u>		<u>4,656,896</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30th June 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 30th June 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

**Balance Sheet - continued**

*30th June 2017*

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 14th March 2018 and were signed on its behalf by:

Mrs M.S. Ward BSc, FRAg, NSch, MBE - Director

Mr S.T. Ward BSc, NSch, ARAg - Director

## **Notes to the Financial Statements**

*for the year ended 30th June 2017*

### **1. STATUTORY INFORMATION**

Warden Farming Company 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**

The financial statements have been prepared in accordance with applicable accounting standards including Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The company adopted FRS 102 in the current year and an explanation of how transition to FRS 102 has affected the reported financial position and performance is given in note 15.

#### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

#### **Intangible assets**

Sugar beet quota is initially recognised at cost and amortised over its anticipated economic life.

Basic Payment Scheme entitlements are initially recognised at cost and are amortised on a straight line basis over their expected useful life. At the reporting date, the expected useful life is 6 years, reflecting the 8 year period of benefit to be received via the Basic Payment Scheme. The Basic Payment Scheme commenced in 2015 and the cessation year expected to be 2023.

Provision is made for any impairment.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

#### **Depreciation**

Depreciation of fixed assets is charged by annual instalments commencing with the year of acquisition at rates estimated to write off their cost less any residual value over the expected useful lives.

The annual rates used are as follows:

Freehold land	<b>Nil</b>
Freehold property	<b>2% - 10% on cost</b>
Long leasehold	<b>2% - 5% on cost</b>
Plant & machinery	<b>5% - 20% on cost</b>

## **Notes to the Financial Statements - continued**

*for the year ended 30th June 2017*

### **2. ACCOUNTING POLICIES - continued**

#### **Government grants**

The company receives government grants in respect of the Basic Payment Scheme, under the Common Agricultural Policy. These grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the performance model.

Government grants received in respect of fixed assets are released to the profit and loss account in equal annual amounts over the estimated useful economic lives of the specific asset they relate to.

Other government grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

#### **Investments in associates**

Investments in associate undertakings are recognised at cost.

#### **Investment property**

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in statement of comprehensive income.

#### **Stocks**

Stocks, including biological assets, are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method and represents costs incurred to date to bring growing crops and finished produce to its current state. Net realisable value is estimated selling price in the ordinary course of business, less applicable variable selling expenses.

#### **Current & deferred tax**

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current and past reporting periods. It is measured at the amount 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 represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. 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 and other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

## Notes to the Financial Statements - continued

for the year ended 30th June 2017

### 2. ACCOUNTING POLICIES - continued

#### Debtors and creditors receivable/ payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

#### Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

#### Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

#### Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

### 3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 51 (2016 - 47) .

### 4. INTANGIBLE FIXED ASSETS

	Other intangible assets £
<b>COST</b>	
At 1st July 2016	
and 30th June 2017	<b>131,045</b>
<b>AMORTISATION</b>	
At 1st July 2016	<b>35,630</b>
Charge for year	<b>13,631</b>
At 30th June 2017	<b>49,261</b>
<b>NET BOOK VALUE</b>	
At 30th June 2017	<b>81,784</b>
At 30th June 2016	<b>95,415</b>

Other intangible assets comprise Basic Payment Scheme Entitlements and Sugar Beet Quota.



## Notes to the Financial Statements - continued

for the year ended 30th June 2017

### 5. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £	Totals £
<b>COST</b>				
At 1st July 2016	2,684,948	613,186	2,913,748	6,211,882
Additions	11,074	66,555	94,378	172,007
Disposals	-	-	(209,291)	(209,291)
At 30th June 2017	<u>2,696,022</u>	<u>679,741</u>	<u>2,798,835</u>	<u>6,174,598</u>
<b>DEPRECIATION</b>				
At 1st July 2016	352,398	386,016	1,309,417	2,047,831
Charge for year	35,510	15,723	156,373	207,606
Eliminated on disposal	-	-	(188,124)	(188,124)
At 30th June 2017	<u>387,908</u>	<u>401,739</u>	<u>1,277,666</u>	<u>2,067,313</u>
<b>NET BOOK VALUE</b>				
At 30th June 2017	<u>2,308,114</u>	<u>278,002</u>	<u>1,521,169</u>	<u>4,107,285</u>
At 30th June 2016	<u>2,332,550</u>	<u>227,170</u>	<u>1,604,331</u>	<u>4,164,051</u>

### 6. FIXED ASSET INVESTMENTS

	Interest in associate £
<b>COST</b>	
At 1st July 2016 and 30th June 2017	<u>2</u>
<b>NET BOOK VALUE</b>	
At 30th June 2017	<u>2</u>
At 30th June 2016	<u>2</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

#### Associated company

##### KW Farm Contractors Limited

Registered office:

Nature of business: Contract farming

Class of shares: %  
B ordinary shares holding  
100.00

	2017 £	2016 £
Aggregate capital and reserves	196,984	190,853
Profit for the year	<u>6,131</u>	<u>10,312</u>

# Notes to the Financial Statements - continued

for the year ended 30th June 2017

## 7. INVESTMENT PROPERTY

### FAIR VALUE

At 1st July 2016  
and 30th June 2017

### NET BOOK VALUE

At 30th June 2017

At 30th June 2016

Total  
£

**1,153,200**

**1,153,200**

**1,153,200**

Fair value at 30th June 2017 is represented by:

Valuation in 2017

£  
**1,153,200**

## 8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	98,742	112,512
Amounts owed by participating interests	59,136	59,136
Other debtors	480	480
VAT	35,181	37,807
Prepayments and accrued income	179,616	142,903
	<b>373,155</b>	<b>352,838</b>

## 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Bank loans and overdrafts	485,637	633,845
Hire purchase contracts (see note 11)	6,480	6,480
Trade creditors	190,134	180,718
Tax	10,414	-
Social security and other taxes	9,519	8,423
Other creditors	142,211	250,096
Directors' current accounts	1,165	10,470
Accruals and deferred income	54,069	74,880
Deferred government grants	3,195	3,195
	<b>902,824</b>	<b>1,168,107</b>

## 10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £	2016 £
Hire purchase contracts (see note 11)	13,500	19,980
Deferred government grants	121,400	124,594
	<b>134,900</b>	<b>144,574</b>

## Notes to the Financial Statements - continued

for the year ended 30th June 2017

### 11. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	<b>Hire purchase contracts</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	<b>6,480</b>	6,480
Between one and five years	<b>13,500</b>	19,980
	<b><u>19,980</u></b>	<b><u>26,460</u></b>
	<b>Non-cancellable operating leases</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Within one year	<b>166,494</b>	164,294
Between one and five years	<b>327,299</b>	367,993
In more than five years	-	64,500
	<b><u>493,793</u></b>	<b><u>596,787</u></b>

### 12. RESERVES

	<b>Revaluation reserve</b>
	<b>£</b>
At 1st July 2016 and 30th June 2017	<b><u>1,073,200</u></b>

### 13. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for its directors. The assets of the scheme are held separately from those of the company in an independently administered fund. There were contributions payable into the scheme for the year of £Nil (2016 £Nil)

Two directors are accruing benefits under a money purchase pension scheme (2016 Two).

### 14. RELATED PARTY DISCLOSURES

#### Key management personnel of the entity

	<b>2017</b>	<b>2016</b>
<b>£</b>		
Loans due to related parties	<b>1,164</b>	10,471

#### Other related parties

	<b>2017</b>	<b>2016</b>
<b>£</b>		
Amounts due to related parties	<b>97,997</b>	247,232

## Notes to the Financial Statements - continued

for the year ended 30th June 2017

### 15. FIRST YEAR ADOPTION

The company has adopted FRS 102 for the first time in the year ended 30 June 2017.

The effect of transition from previous financial reporting framework to FRS 102 is outlined below.

#### Changes in accounting policies

Previously unrecognised intangible assets, in respect of Basic Payment Scheme entitlements, have been revalued to their fair value as at 1 July 2015. These entitlements had not been recognised previously due to being acquired via the ownership of existing land, and therefore there being no cost. The entitlements have been revalued using a professional valuation per hectare of entitled land at the date of the revaluation. The revalued amount at 1 July 2015 is now their deemed cost and is being amortised to reflect the years remaining on the scheme until it ceases in 2023. The increase in fair value amounted to £98,171.

Additionally, four properties were reclassified as investment properties on transition and their fair value has been included in the accounts at a total of £1,153,200.

#### Reconciliation of equity shareholders' funds

Adjustments to previously reported equity shareholders' funds at the date of transition to FRS 102 were as follows:

	As at 1 July 2015	As at 1 July 2016
Shareholders' funds under old UK GAAP	3,522,816	3,640,191
Increase in intangible assets to reflect fair value	98,171	98,171
Amortisation charge for the year on revalued intangible assets	-	(12,825)
Deferred tax adjustment for capitalisation of BPS entitlements	(19,640)	(17,185)
Investment properties fair value adjustment	1,073,200	1,073,200
Deferred tax adjustment for investment properties	(124,656)	(124,656)
Shareholders' funds under FRS 102	<u>4,549,891</u>	<u>4,656,896</u>

#### Reconciliation of comparative period profit

Profit for the year ended 30 June 2016 under old UK GAAP	117,375
Increase in amortisation charged for the year on BPS entitlements	(12,825)
Deferred tax movement regarding BPS entitlements	2,455
Profit for the year ended 30 June 2016 under FRS 102	<u>107,005</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.