

Registered number: 00503169

Newdigate Farms Limited

Unaudited

Financial statements

Information for filing with the registrar

For the Year Ended 31 December 2017



Newdigate Farms Limited
Registered number: 00503169

Balance Sheet
As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets		3,933	-
Tangible assets	5	5,320,122	1,119,671
		<u>5,324,055</u>	<u>1,119,671</u>
Current assets			
Stocks	6	43,457	37,321
Debtors	7	123,003	115,215
Cash at bank and in hand		116,449	110,231
		<u>282,909</u>	<u>262,767</u>
Creditors: amounts falling due within one year	8	(333,919)	(311,026)
Net current liabilities		<u>(51,010)</u>	<u>(48,259)</u>
Total assets less current liabilities		<u>5,273,045</u>	<u>1,071,412</u>
Creditors: amounts falling due after more than one year	9	(114,956)	(123,184)
Provisions for liabilities			
Deferred tax	11	(727,260)	(16,600)
		<u>(727,260)</u>	<u>(16,600)</u>
Net assets		<u>4,430,829</u>	<u>931,628</u>
Capital and reserves			
Called up share capital		15,000	15,000
Revaluation reserve		3,452,100	-
Capital redemption reserve		16,093	16,093
Profit and loss account		947,636	900,535
		<u>4,430,829</u>	<u>931,628</u>

Newdigate Farms Limited
Registered number: 00503169

Balance Sheet (continued)
As at 31 December 2017

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.

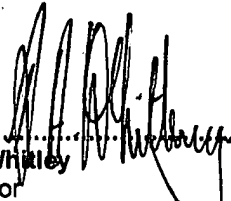
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

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


.....
D A Whitley
Director

Date: 10/9/18

The notes on pages 4 to 13 form part of these financial statements.

Newdigate Farms Limited

**Statement of Changes in Equity
For the Year Ended 31 December 2017**

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2016	15,000	16,093	-	898,559	929,652
Comprehensive income for the year					
Profit for the year	-	-	-	1,976	1,976
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,976	1,976
Total transactions with owners	-	-	-	-	-
At 1 January 2017	15,000	16,093	-	900,535	931,628
Comprehensive income for the year					
Profit for the year	-	-	-	84,601	84,601
Surplus on revaluation of freehold property	-	-	4,155,854	-	4,155,854
Deferred taxation	-	-	(703,754)	-	(703,754)
Other comprehensive income for the year	-	-	3,452,100	-	3,452,100
Total comprehensive income for the year	-	-	3,452,100	84,601	3,536,701
Dividends: Equity capital	-	-	-	(37,500)	(37,500)
Total transactions with owners	-	-	-	(37,500)	(37,500)
At 31 December 2017	15,000	16,093	3,452,100	947,636	4,430,829

Newdigate Farms Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

1. General information

The company is a private company, limited by share capital, incorporated in England, within the United Kingdom. The registered office address is: Springfield House, Springfield Road, Horsham, West Sussex, RH12 2RG.

The financial statements are presented in Sterling and are rounded to the nearest £1.

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 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Newdigate Farms Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Website costs	-	10	years straight line
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2.4 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.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a straight line or reducing balance basis.

Depreciation is provided on the following basis:

Land and freehold property	-	
-Freehold buildings		Not depreciated
-Tenants improvement		2% per anum on a straight line basis
Fixtures and Fittings	-	
-Computer equipment		33.33% per anum on a straight line basis
-Integral features		20% per anum on a reducing balance basis
-Farm Equipment		20% per anum on a reducing balance basis
Motor vehicles	-	
- Tractors and vehicles		40% per anum on a reducing balance basis

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 Profit and Loss Account.

Newdigate Farms Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.5 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Profit and Loss Account unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 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.

2.8 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.

2.9 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 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

2. Accounting policies (continued)

2.11 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Profit and Loss Account.

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.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.12 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.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.14 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

Newdigate Farms Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

2. Accounting policies (continued)

2.15 Borrowing costs

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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).

Newdigate Farms Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

4. Intangible assets

	Website costs £
Cost	
Additions	<u>4,220</u>
At 31 December 2017	<u>4,220</u>
Amortisation	
Charge for the year	<u>287</u>
At 31 December 2017	<u>287</u>
Net book value	
At 31 December 2017	<u>3,933</u>
At 31 December 2016	<u>-</u>

Newdigate Farms Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2017**

5. Tangible fixed assets

	Land and freehold property £	Tenant leasehold improve- ments £	Furniture, fittings, and equipment £	Total £
Cost or valuation				
At 1 January 2017	529,263	552,253	543,489	1,625,005
Additions	31,010	26,567	32,468	90,045
Revaluations	4,139,727	(56,693)	-	4,083,034
At 31 December 2017	<u>4,700,000</u>	<u>522,127</u>	<u>575,957</u>	<u>5,798,084</u>
Depreciation				
At 1 January 2017	16,127	56,693	432,514	505,334
Charge for the year on owned assets	-	10,085	35,363	45,448
On revalued assets	(16,127)	(56,693)	-	(72,820)
At 31 December 2017	<u>-</u>	<u>10,085</u>	<u>467,877</u>	<u>477,962</u>
Net book value				
At 31 December 2017	<u>4,700,000</u>	<u>512,042</u>	<u>108,080</u>	<u>5,320,122</u>
At 31 December 2016	<u>513,136</u>	<u>495,560</u>	<u>110,975</u>	<u>1,119,671</u>

The freehold land and property were valued on 9 March 2018 by Batcheller Monkhouse, Chartered Surveyors, who are external to the company. The freehold land and property is considered to have a market value of £4,700,000.

If the freehold land and properties had not been included at valuation they would have been included under the historical cost convention as follows:

	2017 £	2016 £
Cost	560,273	529,263
Net book value	<u>560,273</u>	<u>529,263</u>

Newdigate Farms Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

6. Stocks

	2017 £	2016 £
Finished goods and goods for resale	43,457	37,321
	<u>43,457</u>	<u>37,321</u>

7. Debtors

	2017 £	2016 £
Trade debtors	105,975	90,699
Other debtors	5,391	4,413
Prepayments and accrued income	11,637	20,103
	<u>123,003</u>	<u>115,215</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	6,858	2,832
Trade creditors	130,150	93,503
Corporation tax	15,797	17,998
Other taxation and social security	3,713	3,370
Obligations under finance lease and hire purchase contracts	-	13,916
Other creditors	148,146	140,782
Accruals and deferred income	29,255	38,625
	<u>333,919</u>	<u>311,026</u>

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

	2017 £	2016 £
Bank loans	114,956	123,184
	<u>114,956</u>	<u>123,184</u>

Newdigate Farms Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

10. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	6,858	2,832
	<u>6,858</u>	<u>2,832</u>
Amounts falling due 1-2 years		
Bank loans	6,858	-
	<u>6,858</u>	<u>-</u>
Amounts falling due 2-5 years		
Bank loans	27,431	123,184
	<u>27,431</u>	<u>123,184</u>
Amounts falling due after more than 5 years		
Bank loans	80,667	-
	<u>80,667</u>	<u>-</u>
	<u>121,814</u>	<u>126,016</u>

11. Deferred taxation

	2017 £
At beginning of year	(16,600)
Charged to profit or loss	(710,660)
At end of year	<u><u>(727,260)</u></u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(23,506)	(16,600)
Revaluation of freehold land and buildings	(703,754)	-
	<u><u>(727,260)</u></u>	<u><u>(16,600)</u></u>

Newdigate Farms Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

12. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Narrowboat Motty < 1 year	1,200	1,200
Narrowboat - Motty 2-5 years	2,600	3,800
Greens Farm - > 5 years	24,000	24,000
	<u>27,800</u>	<u>29,000</u>

13. Related party transactions

Summary of transactions with key management

During the year C J M Frost, a majority shareholder, continued to loan funds and incur expenses on behalf of the company. At the balance sheet date the amount due to C J M Frost was £17,907 (2016 - £56,977).

Summary of transactions with other related parties

Son of C J M Frost

During the year C T M Frost continued to loan funds to the company. At the balance sheet date the amount due to C T M Frost was £26,017 (2016 - £21,822).

14. Controlling party

The company is controlled by C J M Frost by virtue of his shareholding.