

Company Registration No. 00966956 (England and Wales)

HAREHOPE FARMS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017
PAGES FOR FILING WITH REGISTRAR

HAREHOPE FARMS LIMITED

COMPANY INFORMATION

Directors	E.J. Wrangham Dr. A.E.H. Wrangham Mrs. A.J. Wrangham
Secretary	Dr. A.E.H. Wrangham
Company number	00966956
Registered office	East Lilburn Farmhouse East Lilburn Alnwick Northumberland NE66 4ED
Accountants	Greaves West & Ayre 17 Walkergate Berwick-upon-Tweed Northumberland TD15 1DJ
Bankers	Barclays Bank P.L.C. 20 Bondgate Within Alnwick Northumberland NE66 1TD
Solicitors	Bond Dickinson St. Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX

HAREHOPE FARMS LIMITED

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HAREHOPE FARMS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

		2017		2016	
	Notes	£	£	£	£
Fixed assets					
Intangible assets			157,670		210,227
Tangible assets	4		811,063		909,255
Biological assets	5		139,038		149,200
Investments	6		796		796
			<u>1,108,567</u>		<u>1,269,478</u>
Current assets					
Stocks		686,570		591,261	
Debtors		597,655		599,344	
Investments		822,262		778,284	
Cash at bank and in hand		83,273		353,850	
		<u>2,189,760</u>		<u>2,322,739</u>	
Creditors: amounts falling due within one year		<u>(619,090)</u>		<u>(938,796)</u>	
Net current assets			<u>1,570,670</u>		<u>1,383,943</u>
Total assets less current liabilities			<u>2,679,237</u>		<u>2,653,421</u>
Creditors: amounts falling due after more than one year			(133,487)		(119,483)
Deferred income			<u>(157,670)</u>		<u>(210,227)</u>
Net assets			<u><u>2,388,080</u></u>		<u><u>2,323,711</u></u>
Capital and reserves					
Called up share capital	8		1,300,100		1,300,100
Capital redemption reserve			30,726		30,726
Profit and loss reserves			<u>1,057,254</u>		<u>992,885</u>
Total equity			<u><u>2,388,080</u></u>		<u><u>2,323,711</u></u>

HAREHOPE FARMS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2017

In accordance with section 444 of the Companies Act 2006 all of the members of the company have consented to the preparation of abridged financial statements pursuant to paragraph 1A of Schedule 1 to the Small Companies and Groups (Accounts and Directors' Report) Regulations (S.I. 2008/409)(b).

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 3 November 2017 and are signed on its behalf by:

E.J. Wrangham
Director

Company Registration No. 00966956

HAREHOPE FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Harehope Farms Limited is a private company limited by shares incorporated in England and Wales. The registered office is East Lilburn Farmhouse, East Lilburn, Alnwick, Northumberland, NE66 4ED.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2017 are the first financial statements of Harehope Farms Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 10.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

HAREHOPE FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Basic payment entitlements	20% Straight line
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1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Property improvements	4% Straight line
Plant and machinery	15% and 18% Reducing balance
Cottage fixtures and fittings	10% Straight line
Office equipment	20% Straight line
Motor vehicles	25% Reducing balance
Leased equipment	15% and 18% Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Biological assets

Biological assets are recognised only when three recognition criteria have been fulfilled:

- the entity has control over the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

The company measures biological assets at cost less accumulated depreciation and accumulated impairment losses.

In respect of agricultural produce harvested from a biological asset, this is measured at the point of harvest at either;

- lower of cost and estimated selling price less costs to complete and sell; or
- fair value less costs to sell with any gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell being included in profit or loss.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Cattle Herd

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

HAREHOPE FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the 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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

HAREHOPE FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.12 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

HAREHOPE FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

HAREHOPE FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 9 (2016 - 9).

3 Intangible fixed assets

	Total £
Cost	
At 1 April 2016 and 31 March 2017	262,784
Amortisation and impairment	
At 1 April 2016	52,557
Amortisation charged for the year	52,557
At 31 March 2017	105,114
Carrying amount	
At 31 March 2017	157,670
At 31 March 2016	210,227

4 Tangible fixed assets

	Total £
Cost	
At 1 April 2016	2,936,895
Additions	240,829
Disposals	(529,169)
At 31 March 2017	2,648,555
Depreciation and impairment	
At 1 April 2016	2,027,639
Depreciation charged in the year	140,241
Eliminated in respect of disposals	(330,388)
At 31 March 2017	1,837,492
Carrying amount	
At 31 March 2017	811,063
At 31 March 2016	909,255

HAREHOPE FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

4 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Plant and machinery	266,198	445,068
Motor vehicles	8,438	19,794
	<u>274,636</u>	<u>464,862</u>
Depreciation charge for the year in respect of leased assets	<u>40,362</u>	<u>70,037</u>

5 Biological assets

Cattle Herd
£

Cost

At 1 April 2016

149,200

Disposals

(10,162)

At 31 March 2017

139,038

Depreciation and impairment

At 1 April 2016 and 31 March 2017

-

Carrying amount

At 31 March 2017

139,038

At 31 March 2016

149,200

6 Fixed asset investments

2017
£

2016
£

Investments

796

796

Unlisted investments are shown at cost as no open market exists for resale. In the directors' opinion these investments are worth no less than cost.

HAREHOPE FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

7 Finance lease obligations

	2017	2016
	£	£
Future minimum lease payments due under finance leases:		
Within one year	77,199	132,113
In two to five years	133,487	119,483
	<u>210,686</u>	<u>251,596</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3-4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The obligations due under the finance leases are secured upon the assets to which they relate.

8 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Preference share capital		
Issued and fully paid		
1,300,000 Preference shares of £1 each	1,300,000	1,300,000
	<u>1,300,000</u>	<u>1,300,000</u>

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2017	2016
	£	£
	88,750	88,750
	<u>88,750</u>	<u>88,750</u>

HAREHOPE FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

10 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	At 1 April 2015			At 31 March 2016		
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Other intangibles	2	-	210,227	210,227	-	210,227	210,227
Tangible assets		841,754	-	841,754	909,255	-	909,255
Investments		796	-	796	796	-	796
		<u>842,550</u>	<u>210,227</u>	<u>1,052,777</u>	<u>910,051</u>	<u>210,227</u>	<u>1,120,278</u>
Current assets							
Stocks		599,403	-	599,403	591,261	-	591,261
Debtors		388,840	-	388,840	599,344	-	599,344
Investments		720,689	-	720,689	778,284	-	778,284
Bank and cash		126,079	-	126,079	353,850	-	353,850
		<u>1,835,011</u>	<u>-</u>	<u>1,835,011</u>	<u>2,322,739</u>	<u>-</u>	<u>2,322,739</u>
Creditors due within one year							
Loans and overdrafts		104,590	-	104,590	-	-	-
Finance leases		(104,812)	-	(104,812)	(132,113)	-	(132,113)
Taxation		(4,227)	-	(4,227)	(4,239)	-	(4,239)
Other creditors		(440,596)	-	(440,596)	(802,444)	-	(802,444)
		<u>(445,045)</u>	<u>-</u>	<u>(445,045)</u>	<u>(938,796)</u>	<u>-</u>	<u>(938,796)</u>
Net current assets		<u>1,389,966</u>	<u>-</u>	<u>1,389,966</u>	<u>1,383,943</u>	<u>-</u>	<u>1,383,943</u>
Total assets less current liabilities		<u>2,232,516</u>	<u>210,227</u>	<u>2,442,743</u>	<u>2,293,994</u>	<u>210,227</u>	<u>2,504,221</u>
Creditors due after one year							
Finance leases		(70,159)	-	(70,159)	(119,483)	-	(119,483)
Deferred income	2	-	(210,227)	(210,227)	-	(210,227)	(210,227)
Net assets		<u>2,162,357</u>	<u>-</u>	<u>2,162,357</u>	<u>2,174,511</u>	<u>-</u>	<u>2,174,511</u>
Capital and reserves							
Share capital		1,300,100	-	1,300,100	1,300,100	-	1,300,100
Capital redemption		30,726	-	30,726	30,726	-	30,726
Profit and loss	1	846,290	136,146	982,436	856,739	136,146	992,885
Total equity		<u>2,177,116</u>	<u>136,146</u>	<u>2,313,262</u>	<u>2,187,565</u>	<u>136,146</u>	<u>2,323,711</u>

HAREHOPE FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

10 Reconciliations on adoption of FRS 102

(Continued)

Notes to reconciliations on adoption of FRS 102

1. Revaluation of Cattle Herd

In line with accounting standards, all biological assets have been revalued to their deemed cost as at the date of transition, 1st April 2015. All subsequent annual increases and/or decreases have also been revalued.

2. Basic Payment Entitlements

Under FRS102 the company is required to recognise Basic Payment Entitlements, which entitle the company to government grants provided they meet certain obligations. As the grant is a revenue grant which will only be met when the company meets their obligations, the value of the entitlements are also reflected in accruals and deferred income on the balance sheet. Both the asset and liability are then written down over a 5 year period on a straight line basis to 2020, when the Basic Payment scheme is due to finish.

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.