

**DR & HM Horsley Limited**  
**Unaudited Financial Statements**  
**31 March 2018**



# **DR & HM Horsley Limited**

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**Chartered Accountants' Report to the Director on the Preparation of the Unaudited  
Statutory Accounts of  
DR & HM Horsley Limited  
for the Year Ended 31 March 2018**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of DR & HM Horsley Limited for the year ended 31 March 2018 as set out on pages 2 to 10 from the company's accounting records and from information and explanations you have given us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/membershandbook>.

This report is made solely to the Board of Directors of DR & HM Horsley Limited, as a body, in accordance with the terms of our engagement letter dated 4 October 2018. Our work has been undertaken solely to prepare for your approval the accounts of DR & HM Horsley Limited and state those matters that we have agreed to state to the Board of Directors of DR & HM Horsley Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than DR & HM Horsley Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that DR & HM Horsley Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of DR & HM Horsley Limited. You consider that DR & HM Horsley Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of DR & HM Horsley Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

**Dodd & Co Limited**

Chartered Accountants  
FIFTEEN Rosehill  
Montgomery Way  
Rosehill Estate  
CARLISLE  
CA1 2RW

17 October 2018

**DR & HM Horsley Limited**  
**(Registration number: 04686157)**  
**Balance Sheet as at 31 March 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	482,214	381,992
Other financial assets	<u>5</u>	59,869	58,394
		<u>542,083</u>	<u>440,386</u>
<b>Current assets</b>			
Stocks		258,748	270,338
Debtors	<u>6</u>	88,272	76,898
Cash and cash equivalents		216,861	129,987
		563,881	477,223
<b>Creditors:</b> Amounts falling due within one year	<u>7</u>	(138,196)	(109,402)
<b>Net current assets</b>		<u>425,685</u>	<u>367,821</u>
<b>Total assets less current liabilities</b>		967,768	808,207
<b>Creditors:</b> Amounts falling due after more than one year	<u>7</u>	(38,782)	(29,668)
<b>Provisions for liabilities</b>		<u>(83,068)</u>	<u>(63,271)</u>
<b>Net assets</b>		<u>845,918</u>	<u>715,268</u>
<b>Capital and reserves</b>			
Allotted, called up and fully paid share capital		100	100
Profit and loss account		845,818	715,168
<b>Total equity</b>		<u>845,918</u>	<u>715,268</u>

The notes on pages 4 to 10 form an integral part of these financial statements.  
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**DR & HM Horsley Limited**

**(Registration number: 04686157)**

**Balance Sheet as at 31 March 2018 (continued)**

For the financial year ending 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 17 October 2018

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D R Horsley

Director

The notes on pages 4 to 10 form an integral part of these financial statements.

# **DR & HM Horsley Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2018**

### **1 General information**

The company is a private company limited by share capital, incorporated in England & Wales.

The principal place of business is:

Woodhouse Farm  
Catterlen  
PENRITH  
CA11 0BE

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities.

#### **Government grants**

Government grants such as the basic payment scheme are included in the profit and loss account when all the necessary conditions for receipt have been met.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

## DR & HM Horsley Limited

### Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	5% reducing balance basis
Plant and equipment	15% reducing balance basis
Motor vehicles	25% reducing balance basis

Land and buildings relate to tenants improvements on land leased by the company from the shareholders. As the long term intention is for the farming operation to continue, it is deemed a true and fair view to depreciate the assets at 5% reducing balance over their useful economic life, and not the duration of the lease.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade debtors

Trade debtors are amounts due from customers for the sale of goods or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### Stocks

Trading stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. The cost of livestock represents the purchase cost plus any additional costs of rearing the animal. Net realisable value is based on selling price less anticipated selling costs. Crop stock is valued at fair value less any anticipated costs to sell.

Herd stock is included in the balance sheet at the original cost of the herd adjusted annually for additions to, or disposals from the herd.

## **DR & HM Horsley Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)**

Additions to the herd are included at cost except where there is a reinstatement of disposals to the herd from the prior year. In this case they are reinstated at the prior year disposal value.

Disposals to the herd are disposed of at an average cost except where there have been additions to the herd in the prior year. In this case they are disposed of on a last in first out basis.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method where due after more than one year.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.



## **DR & HM Horsley Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)**

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Financial instruments**

##### ***Classification***

Equity shares and debt securities

##### ***Recognition and measurement***

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method.

Dividends on equity securities are recognised in income when receivable.

##### ***Impairment***

For instruments measured at cost less impairment the impairment is the difference between the assets' carrying amount and the best estimate the entity would receive for the asset if it were sold at the reporting date.

#### **3 Staff numbers**

The average number of persons employed by the company (including the director) during the year, was 4 (2017 - 4).

# DR & HM Horsley Limited

## Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

### 4 Tangible assets

	Land and buildings £	Plant and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 2017	56,938	796,169	6,500	859,607
Additions	-	165,404	16,495	181,899
Disposals	-	(72,869)	-	(72,869)
At 31 March 2018	56,938	888,704	22,995	968,637
<b>Depreciation</b>				
At 1 April 2017	18,094	453,690	5,831	477,615
Charge for the year	1,942	59,734	2,916	64,592
Eliminated on disposal	-	(55,784)	-	(55,784)
At 31 March 2018	20,036	457,640	8,747	486,423
<b>Carrying amount</b>				
At 31 March 2018	36,902	431,064	14,248	482,214
At 31 March 2017	38,844	342,479	669	381,992

### 5 Other financial assets (current and non-current)

	2018 £	2017 £
<b>Non-current financial assets</b>		
Financial assets at fair value through profit and loss	59,869	58,394
	<b>Financial assets at cost less impairment £</b>	<b>Total £</b>
<b>Non-current financial assets</b>		
<b>Cost or valuation</b>		
At 1 April 2017	58,394	58,394
Additions	1,475	1,475
At 31 March 2018	59,869	59,869
<b>Carrying amount</b>		
At 31 March 2018	59,869	59,869
At 31 March 2017	58,394	58,394



# DR & HM Horsley Limited

## Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

### 6 Debtors

	2018 £	2017 £
Trade debtors	67,891	56,657
Other debtors	20,381	20,241
	<u>88,272</u>	<u>76,898</u>

### 7 Creditors

	Note	2018 £	2017 £
<b>Due within one year</b>			
Loans and borrowings	<u>8</u>	63,227	46,127
Trade creditors		53,946	50,357
Corporation tax liability		11,321	7,303
Other creditors		9,702	5,615
		<u>138,196</u>	<u>109,402</u>
<b>Due after one year</b>			
Loans and borrowings	<u>8</u>	24,199	13,903
Other creditors		14,583	15,765
		<u>38,782</u>	<u>29,668</u>

## DR & HM Horsley Limited

### Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

#### 8 Loans and borrowings

	2018 £	2017 £
<b>Current loans and borrowings</b>		
Bank overdrafts	2,843	-
Finance lease liabilities	47,873	14,417
Other borrowings	12,511	31,710
	<u>63,227</u>	<u>46,127</u>

Current loans and borrowings includes the following liabilities, on which security has been given by the company:

	2018 £	2017 £
Bank overdrafts	2,843	-
Finance lease liabilities	47,873	14,417
	<u>50,716</u>	<u>14,417</u>

Bank overdrafts are secured by fixed and floating charges over the company's assets.

Finance lease liabilities are secured on the assets to which they relate.

	2018 £	2017 £
<b>Non-current loans and borrowings</b>		
Finance lease liabilities	<u>24,199</u>	<u>13,903</u>

Non-current loans and borrowings includes the following liabilities, on which security has been given by the company:

	2018 £	2017 £
Finance lease liabilities	<u>24,199</u>	<u>13,903</u>

Finance lease liabilities are secured on the assets to which they relate.

#### 9 Financial commitments, guarantees and contingencies

##### Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £267,170 (2017 - £293,887).

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.