

COMPANY REGISTRATION NUMBER: 00451744

George Thompson (Farms) Limited
Filleted Unaudited Financial Statements
for the year ended
31 May 2018

George Thompson (Farms) Limited

Financial Statements

for the year ended 31st May 2018

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George Thompson (Farms) Limited

Chartered Accountant's Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of George Thompson (Farms) Limited

for the year ended 31st May 2018

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of George Thompson (Farms) Limited for the year ended 31st May 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 practising 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 www.icaew.com/en/membership/regulations-standards-and-guidance. This report is made solely to the Board of Directors of George Thompson (Farms) Limited, as a body, in accordance with the terms of our engagement letter dated 31st October 2013. Our work has been undertaken solely to prepare for your approval the financial statements of George Thompson (Farms) Limited and state those matters that we have agreed to state to you, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than George Thompson (Farms) Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that George Thompson (Farms) Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of George Thompson (Farms) Limited. You consider that George Thompson (Farms) 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 financial statements of George Thompson (Farms) 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 financial statements.

MOORE THOMPSON Chartered Accountants

Bank House Broad Street Spalding PE11 1TB

Dated: 14 January 2019

George Thompson (Farms) Limited

Statement of Financial Position

as at 31 May 2018

		2018	2017
	Note	£	£
Fixed assets			
Tangible assets	6	4,949,381	4,964,093
Investments	7	43,911	51,863
		4,993,292	5,015,956
Current assets			
Stocks	8	1,734,004	1,737,720
Debtors	9	911,865	736,108
Cash at bank and in hand		225,346	706,393
		2,871,215	3,180,221
Creditors: amounts falling due within one year	10	927,897	769,464
Net current assets		1,943,318	2,410,757
Total assets less current liabilities		6,936,610	7,426,713
Creditors: amounts falling due after more than one year	11	339,741	663,290
Provisions			
Deferred taxation		363,520	339,379
Net assets		6,233,349	6,424,044
Capital and reserves			
Called up share capital	12	41,000	41,000
Share premium account		19,050	19,050
Profit and loss account		6,173,299	6,363,994
Shareholders funds		6,233,349	6,424,044

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

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

Directors' responsibilities:

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

George Thompson (Farms) Limited
Statement of Financial Position *(continued)*

as at 31 May 2018

These financial statements were approved by the board of directors and authorised for issue on 9 January 2019 , and are signed on behalf of the board by:

R.C. Thompson Mrs C.E. Thompson

Director Director

Company registration number: 00451744

George Thompson (Farms) Limited

Notes to the Financial Statements

for the year ended 31st May 2018

1. General information

The company is a private company limited by shares, registered in England. The address of the registered office is Grove Farm, Holbeach Hurn, Holbeach, Lincs, PE12 8JJ.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

Farm support income

Farm support income accrues evenly up to 31 December in each claim year in the financial statements. In the event that the conditions for the receipt of the Basic Payment have not been met, income recognition is deferred until such time as those conditions can be assumed to have been met, and there is reasonable assurance that the payment will be received.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

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

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against or credited to profits on a straight line basis over the period of the lease.

Tangible assets

All fixed assets are initially recorded at cost, except for breeding ewes and milk herds. These are capitalised on a herd basis under the Income and Corporation Taxes Act 1988. The movement in valuation is reflected in the profit and loss account.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Agricultural buildings - 10% on original cost
Implements, machinery & equipment - 20%/25% on written down value
General office equipment - 20% on written down value
Motor Vehicles - 25% on written down value
Boxes - 25% on cost
Tractors - 25% on written down value
Computer equipment - 33.3% on cost
Depreciation is not provided on freehold property where, in the opinion of the directors, the residual value of that property is such that any depreciation charge would be immaterial.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks have been valued at the lower of cost and net realisable value. Biological assets Biological assets measured under the fair value model are valued on initial recognition and at each reporting date at fair value less costs to sell. Changes in fair value less costs to sell are recognised in profit or loss. Agricultural produce harvested from these biological assets is measured at the point of harvest at its fair value less costs to sell. Biological assets measured under the cost model are held at cost less any accumulated depreciation and any accumulated impairment losses. Agricultural produce harvested from these biological assets is measured at the point of harvest at either: the lower of cost and estimated selling price less costs to complete and sell; or its fair value less costs to sell. Any gain or loss arising on initial recognition of produce at fair value less costs to sell is included in profit or loss for the period.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

The company operates defined contribution pension schemes for the benefit of employees and directors. The assets of the schemes are administered by the Trustees in funds independent from those of the company. The pension costs charged against profits represent the amount of the contributions payable to the schemes in respect of the accounting period.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 21 (2017: 23).

5. Tax on (loss)/profit

Major components of tax expense

	2018 £	2017 £
Current tax:		
UK current tax (income)/expense	(23,920)	44,409
Deferred tax:		
Origination and reversal of timing differences	24,141	72,446
Tax on (loss)/profit	221	116,855

6. Tangible assets

	At 1st June 2017 £	Additions £	Disposals £	At 31st May 2018 £
Cost				
Land and buildings	5,194,926	160,716	–	5,355,642
Plant and machinery	3,204,024	371,695	(306,949)	3,268,770
Fixtures and fittings	5,464	960	–	6,424
Motor vehicles	1,773,158	143,945	(131,278)	1,785,825
Office equipment	37,725	20,224	–	57,949
	10,215,297	697,540	(438,227)	10,474,610
	At 1st June 2017 £	Charge for the year £	Disposals £	At 31st May 2018 £
Depreciation				
Land and buildings	1,813,518	224,812	–	2,038,330
Plant and machinery	2,434,589	198,322	(245,534)	2,387,377
Fixtures and fittings	4,664	503	–	5,167
Motor vehicles	963,013	202,898	(111,143)	1,054,768
Office equipment	35,421	4,166	–	39,587
	5,251,205	630,701	(356,677)	5,525,229

	At 31st May 2018 £	At 31st May 2017 £
Carrying amount		
Land and buildings	3,317,312	3,381,408
Plant and machinery	881,393	769,435
Fixtures and fittings	1,257	800
Motor vehicles	731,057	810,145
Office equipment	18,362	2,304
	-----	-----
	4,949,381	4,964,092
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Included within the above figure of £3,317,312 for freehold land and buildings is an amount of £1,922,551 in respect of freehold land upon which no depreciation is charged.

7. Investments

		Other investments other than loans £
Cost		
At 1st June 2017		51,863
Disposals		(7,952)

At 31st May 2018		43,911

Impairment		
At 1st June 2017 and 31st May 2018		—

Carrying amount		
At 31st May 2018		43,911

At 31st May 2017		51,863

	2018	2017
	£	£
Shares at cost:		
Central Wool Growers Limited	7	7
Openfield Grain Limited	1	1
Openfield Producers Limited	1	1
Centaur Storage Limited	1	1
United Oilseeds Marketing Limited	15	15
Holbeach Marsh Co-operative Limited	600	600
Anglia Farmers Limited	50	50
National Milk Records plc	32	32
Lincolnshire Machinery Ring Ltd	40	40
	-----	-----
	747	747
Capital levy at cost:		
Arla Foods UK Farmers Co-op Ltd	38,164	46,116
Storage premium:		
Lingrain Services Limited	5,000	5,000
	-----	-----
	43,911	51,863
	-----	-----

8. Stocks

	2018	2017
	£	£
Tenantright and consumables	1,002,758	1,078,873
Produce on hand	257,346	111,477
Livestock	227,620	254,820
Herd values	325,800	292,550
	-----	-----
	1,813,524	1,737,720
	-----	-----

9. Debtors

	2018	2017
	£	£
Trade debtors	669,940	519,058
Other debtors	241,925	217,050
	-----	-----
	911,865	736,108
	-----	-----

10. Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	50,000	50,000
Trade creditors	460,459	261,983
Accruals and deferred income	31,749	31,388
Corporation tax	—	44,409
Social security and other taxes	23,061	11,774
Obligations under finance leases and hire purchase contracts	162,628	169,910
Pension scheme loan	200,000	200,000
	-----	-----
	927,897	769,464
	-----	-----

The bank loan and pension scheme loan are secured by a legal charge over certain freehold land owned by the company and obligations under hire purchase contracts are secured by the asset it is financing.

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

	2018	2017
	£	£
Bank loans and overdrafts	300,000	350,000
Obligations under finance leases and hire purchase contracts	39,741	113,290
Pension scheme loan	—	200,000
	-----	-----
	339,741	663,290
	-----	-----

The bank loan and pension scheme loan are secured by a legal charge over certain freehold land owned by the company and obligations under hire purchase contracts are secured by the asset it is financing.

Included within creditors: amounts falling due after more than one year is an amount of £100,000 (2017: £150,000) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

12. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary 'A' shares of £ 1 each	10,000	10,000.00	10,000	10,000.00
Ordinary 'B' shares of £ 1 each	31,000	31,000.00	31,000	31,000.00
	<u>41,000</u>	<u>41,000.00</u>	<u>41,000</u>	<u>41,000.00</u>

The 'A' and 'B' ordinary shares rank pari passu in all respects save that in a vote the 'A' shares carry ten votes per share and the 'B' shares carry one vote per share.

13. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Not later than 1 year	<u>167,062</u>	<u>167,062</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.