

COMPANY REGISTRATION NUMBER 00483844

**BROADLAND PROPERTIES LIMITED**  
**GROUP FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2014**

MONDAY



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**BROADLAND PROPERTIES LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2014**

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**BROADLAND PROPERTIES LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**The board of directors**

J. Guthrie  
P.J. Guthrie  
R. Guthrie  
R.G. Urquhart  
M. Robson  
J.M. Hill

**Company secretary**

B.P. Swiers

**Registered office**

137 Scalby Road  
Scarborough  
North Yorkshire  
YO12 6TB

**Auditors**

Moore Stephens  
Chartered Accountants  
& Statutory Auditors  
12 Alma Square  
Scarborough  
North Yorkshire  
YO11 1JU

**Bankers**

Svenska Handelsbanken AB (publ)  
3 Thomas More Square  
London  
E1W 1WY

Rabobank Polska S.A.

# **BROADLAND PROPERTIES LIMITED**

## **STRATEGIC REPORT**

**YEAR ENDED 30 SEPTEMBER 2014**

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The company is a holding company with increasing interests in farming and renewable energy generation, as well as leisure and forestry enterprises. The subsidiaries include a stately home open to the public, overseas farming, renewable energy generation and both trading and investment companies engaged in the development and letting of commercial, industrial and residential property.

The group has diversified in recent years, having substantial farming and trading interests in Poland as well as leisure trading interests in the United Kingdom and hydro-electric power enterprises in Scotland, all in addition to a well-spread property portfolio.

The directors are pleased to report a group profit for the year of £4,252,000. The position of the group at the year end is reflected in the financial statements. Particulars of dividends paid are detailed in note 10 to the financial statements.

The farming activities in Poland during the year have proved very profitable, however due to the strengthening of the pound the group net assets have not increased to reflect this profit.

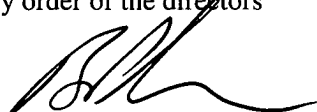
The directors have complied with all United Kingdom Accounting Standards in the preparation of these accounts, but believe that UITF 28, which makes companies recognise profits on long term leases before they are realised, creates a false picture of the success of a company and should be re-examined by the appropriate bodies.

It is envisaged the group will continue all of its current activities in the foreseeable future.

### **PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP**

The directors consider that as the group's assets cover a diverse range of activities, the risks and uncertainties faced by the group are reduced. The group is exposed to movement on foreign exchange rates with respect to its interests in Poland.

Signed by order of the directors



**B.P. SWIERS**  
Company Secretary

Approved by the directors on 12 March 2015

# **BROADLAND PROPERTIES LIMITED**

## **DIRECTORS' REPORT**

### **YEAR ENDED 30 SEPTEMBER 2014**

The directors present their report and the financial statements of the group for the year ended 30 September 2014.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £4,252,000. Particulars of dividends paid are detailed in note 10 to the financial statements.

#### **FINANCIAL INSTRUMENTS**

The group's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors and loans to the company. The main purpose of these instruments is to raise funds for the group's operations and to finance the group's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The company makes use of money market facilities where funds are available, if this yields a greater return than the normal bank accounts.

In respect of loans these comprise loans from financial institutions. The interest rate on the loans from the financial institutions is variable and fixed, payable quarterly. Capital repayments of the loans are made on an annual basis and at the end of their term. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

#### **DIRECTORS**

The directors who served the company during the year were as follows:

J. Guthrie  
P.J. Guthrie  
R. Guthrie  
R.G. Urquhart  
M. Robson  
J.M. Hill

#### **TRUSTEE**

Mr S. A. Watson, a principal in Moore Stephens Chartered Accountants who act as auditors to the company, was a trustee of trusts holding 644,360 (2013 - 644,360) shares in the company until his resignation on 6 February 2015.

# BROADLAND PROPERTIES LIMITED

## DIRECTORS' REPORT *(continued)*

### YEAR ENDED 30 SEPTEMBER 2014

#### DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### DONATIONS

During the year the company made the following contributions:

	2014 £	2013 £
Political	<u>61,600</u>	<u>51,940</u>

The aggregate figure for political donations is made up as follows:

Contribution for political purposes to the Conservative Association	51,600	51,940
Donation to the Better Together Campaign	<u>10,000</u>	<u>-</u>

#### STRATEGIC REPORT

The fair review of the group's business including future developments and details of the principal risks and uncertainties facing the group are included in the Strategic Report.

# **BROADLAND PROPERTIES LIMITED**

## **DIRECTORS' REPORT** *(continued)*

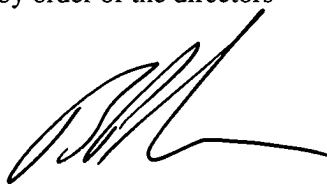
**YEAR ENDED 30 SEPTEMBER 2014**

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the group's auditors are unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'B.P. Swiers', written over a horizontal line.

**B.P. SWIERS**  
Company Secretary

Approved by the directors on 12 March 2015

**BROADLAND PROPERTIES LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**BROADLAND PROPERTIES LIMITED**  
**YEAR ENDED 30 SEPTEMBER 2014**

We have audited the group and parent company financial statements ("the financial statements") of Broadland Properties Limited for the year ended 30 September 2014 on pages 8 to 37. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 September 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



**BROADLAND PROPERTIES LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**BROADLAND PROPERTIES LIMITED** *(continued)*

**YEAR ENDED 30 SEPTEMBER 2014**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

SARAH-JANE SARGENT (Senior Statutory Auditor)

For and on behalf of

MOORE STEPHENS

Chartered Accountants & Statutory Auditors

12 Alma Square

Scarborough

North Yorkshire

YO11 1JU

12 March 2015

**BROADLAND PROPERTIES LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 SEPTEMBER 2014**

		2014	2013
	Note	£000	£000
<b>GROUP TURNOVER</b>	<b>2</b>	<b>38,630</b>	<b>33,837</b>
Cost of sales		<u>(24,352)</u>	<u>(22,345)</u>
<b>GROSS PROFIT</b>		<b>14,278</b>	<b>11,492</b>
Administrative expenses		<u>(6,797)</u>	<u>(6,620)</u>
Other operating income		<u>(185)</u>	<u>133</u>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>7,296</b>	<b>5,005</b>
Profit/(loss) on disposal of fixed assets		<u>128</u>	<u>(178)</u>
		<b>7,424</b>	<b>4,827</b>
Interest receivable		<u>272</u>	<u>269</u>
Amounts written off investments	<b>6</b>	<u>(1,739)</u>	<u>(3,200)</u>
Interest payable and similar charges	<b>7</b>	<u>(624)</u>	<u>(795)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>5,333</b>	<b>1,101</b>
Tax on profit on ordinary activities	<b>8</b>	<u>(1,050)</u>	<u>(449)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>4,283</b>	<b>652</b>
Minority interests		<u>(31)</u>	<u>(45)</u>
<b>PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY</b>	<b>9</b>	<b>4,252</b>	<b>607</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><b>4,252</b></u>	<u><b>607</b></u>

All of the activities of the group are classed as continuing.

The company has taken advantage of section 408 of the Companies Act 2006  
not to publish its own Profit and Loss Account.

The notes on pages 15 to 37 form part of these financial statements.

**BROADLAND PROPERTIES LIMITED**  
**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**YEAR ENDED 30 SEPTEMBER 2014**

	2014 £000	2013 £000
Profit for the financial year attributable to the shareholders of the parent company	4,252	607
Unrealised profit on revaluation of: Other investments	12,385	15,124
	<u>16,637</u>	<u>15,731</u>
Exchange gain/(loss) recognised in the year	(5,039)	1,837
Tax charge on realised gain	(928)	–
Minority interest in recognised gains and losses	355	(1,204)
Total gains and losses recognised since the last annual report	<u>11,025</u>	<u>16,364</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

	2014 £000	2013 £000
Reported profit on ordinary activities before taxation	5,333	1,101
Realisation of gains recognised in previous periods	2,117	69
Historical cost profit on ordinary activities before taxation	<u>7,450</u>	<u>1,170</u>
Tax through revaluation reserve	(928)	–
Historical cost profit for the year after taxation and minority interests	<u>5,441</u>	<u>676</u>

The notes on pages 15 to 37 form part of these financial statements.

# BROADLAND PROPERTIES LIMITED

## BALANCE SHEET

30 SEPTEMBER 2014

	Note	2014 £000	2013 £000
<b>FIXED ASSETS</b>			
Intangible assets	11	77	144
Tangible assets	12	2,978	2,705
Investments	13	69,925	60,198
		<u>72,980</u>	<u>63,047</u>
<b>CURRENT ASSETS</b>			
Stocks	15	1,217	1,228
Debtors due within one year	16	52,094	15,310
Debtors due after one year	16	40	37,764
Cash at bank and in hand		8,999	5,483
		<u>62,350</u>	<u>59,785</u>
<b>CREDITORS: Amounts falling due within one year</b>	17	<u>(1,310)</u>	<u>(3,363)</u>
<b>NET CURRENT ASSETS</b>		<u>61,040</u>	<u>56,422</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>134,020</u>	<u>119,469</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	20	(22)	(24)
		<u>133,998</u>	<u>119,445</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	24	712	712
Investment revaluation reserve	25	25,999	16,497
Profit and loss account	25	107,287	102,236
<b>SHAREHOLDERS' FUNDS</b>		<u>133,998</u>	<u>119,445</u>

These accounts were approved by the directors and authorised for issue on 12 March 2015, and are signed on their behalf by:

J. GUTHRIE  
Director



Company Registration Number: 00483844

The notes on pages 15 to 37 form part of these financial statements.

# BROADLAND PROPERTIES LIMITED

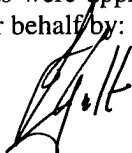
## GROUP BALANCE SHEET

30 SEPTEMBER 2014

	Note	2014 £000	2013 £000
<b>FIXED ASSETS</b>			
Intangible assets	11	77	144
Tangible assets	12	113,279	114,809
Investments	13	119,374	112,021
		<u>232,730</u>	<u>226,974</u>
<b>CURRENT ASSETS</b>			
Stocks	15	17,952	18,498
Debtors due within one year	16	10,348	7,239
Debtors due after one year	16	303	2,528
Cash at bank		9,998	5,133
		<u>38,601</u>	<u>33,398</u>
<b>CREDITORS: Amounts falling due within one year</b>	17	<u>(11,451)</u>	<u>(9,090)</u>
<b>NET CURRENT ASSETS</b>		<u>27,150</u>	<u>24,308</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>259,880</u>	<u>251,282</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	18	(17,135)	(17,030)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	20	<u>(1,072)</u>	<u>(936)</u>
		<u>241,673</u>	<u>233,316</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	24	712	712
Investment revaluation reserve	25	65,903	56,048
Fixed asset revaluation reserve	25	73,694	77,258
Profit and loss account	25	99,595	95,858
<b>SHAREHOLDERS' FUNDS</b>	26	<u>239,904</u>	<u>229,876</u>
<b>MINORITY INTERESTS</b>		<u>1,769</u>	<u>3,440</u>
		<u>241,673</u>	<u>233,316</u>

These accounts were approved by the directors and authorised for issue on 12 March 2015, and are signed on their behalf by:

J. GUTHRIE  
Director



The notes on pages 15 to 37 form part of these financial statements.

**BROADLAND PROPERTIES LIMITED**  
**GROUP CASH FLOW CASH FLOW STATEMENT**  
**YEAR ENDED 30 SEPTEMBER 2014**

	Note	2014 £000	2013 £000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>8,118</b>	<b>4,876</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received		272	269
Interest paid		(646)	(833)
Interest element of hire purchase and finance lease		(3)	–
Dividends paid to minority interest		<u>(1,331)</u>	<u>(4)</u>
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		<b>(1,708)</b>	<b>(568)</b>
<b>TAXATION</b>			
Corporation tax paid		<b>(1,260)</b>	<b>(591)</b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Acquisition of intangible fixed assets		(13)	(51)
Acquisition of tangible fixed assets		(5,075)	(2,999)
Receipts from sale of fixed assets		394	270
Acquisition of investments		(1,002)	(1,152)
Disposal of investments		5,135	714
Disposal of intangible fixed assets		<u>13</u>	<u>51</u>
<b>NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		<b>(548)</b>	<b>(3,167)</b>
<b>ACQUISITIONS AND DISPOSALS</b>			
Acquisition of subsidiary, net of cash acquired		(123)	–
Distribution to minority interest		<u>(14)</u>	<u>–</u>
<b>NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS</b>		<b>(137)</b>	<b>–</b>
<b>EQUITY DIVIDENDS PAID</b>		<b>(997)</b>	<b>(445)</b>
<b>CASH INFLOW BEFORE USE OF FINANCING</b>		<b>3,468</b>	<b>105</b>
<b>FINANCING</b>			
New bank loans		–	16,500
Increase / (repayment) of bank loans		(58)	(18,061)
Capital element of hire purchase and finance leases		<u>(60)</u>	<u>(11)</u>
<b>NET CASH OUTFLOW FROM FINANCING</b>		<b>(118)</b>	<b>(1,572)</b>
<b>INCREASE/(DECREASE) IN CASH</b>		<b><u>3,350</u></b>	<b><u>(1,467)</u></b>

The notes on pages 15 to 37 form part of these financial statements.

**BROADLAND PROPERTIES LIMITED**  
**GROUP CASH FLOW CASH FLOW STATEMENT**  
**YEAR ENDED 30 SEPTEMBER 2014**

**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2014 £000	2013 £000
Operating Profit	7,295	5,005
Depreciation/amortisation of fixed assets	2,523	2,522
(Increase)/decrease in stocks	274	(1,612)
(Increase)/decrease in debtors	(1,778)	(424)
Increase/(decrease) in creditors	(381)	(482)
(Profit)/loss on foreign currency translation	185	(133)
Net cash inflow from operating activities	<u>8,118</u>	<u>4,876</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2014 £000	2013 £000
Increase/(Decrease) in cash in the period	3,350	(1,467)
Net cash outflow from bank loans	58	1,561
Cash outflow in respect of hire purchase	<u>60</u>	<u>11</u>
Change in net funds resulting from cash flows	3,468	105
New finance leases	(305)	–
Translation differences	<u>(135)</u>	<u>27</u>
Movement in net funds in the period	3,028	132
Net debt at 1 October 2013	(13,685)	(13,817)
Net debt at 30 September 2014	<u>(10,657)</u>	<u>(13,685)</u>

The notes on pages 15 to 37 form part of these financial statements.

**BROADLAND PROPERTIES LIMITED**  
**GROUP CASH FLOW CASH FLOW STATEMENT**  
**YEAR ENDED 30 SEPTEMBER 2014**

*(continued)*

**ANALYSIS OF CHANGES IN NET DEBT**

	At 1 Oct 2013 £000	Cash flows £000	Non-cash changes £000	Translation differences £000	At 30 Sep 2014 £000
Net cash:					
Cash in hand and at bank	5,133	5,107	–	(242)	9,998
Overdrafts	(1,816)	(1,757)	–	79	(3,494)
	<u>3,317</u>	<u>3,350</u>	<u>–</u>	<u>(163)</u>	<u>6,504</u>
Debt:					
Debt due within 1 year	(62)	58	(58)	4	(58)
Debt due after 1 year	(16,940)	–	58	24	(16,858)
Hire purchase and finance lease agreements	–	60	(305)	–	(245)
	<u>(17,002)</u>	<u>118</u>	<u>(305)</u>	<u>28</u>	<u>(17,161)</u>
Net Debt/Funds	<u>(13,685)</u>	<u>3,468</u>	<u>(305)</u>	<u>(135)</u>	<u>(10,657)</u>

The notes on pages 15 to 37 form part of these financial statements.



**BROADLAND PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2014**

**1. ACCOUNTING POLICIES**

**1.1 Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards.

**1.2 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over its useful economic life. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

**1.3 Turnover**

Group turnover represents amounts receivable for rents and service charges, dealing and development property sales together with income arising from the operation of a stately home, farming activities and sale of power and associated government incentives, net of value added tax where applicable. The Group has adopted UITF 28, in accounting for operating lease incentives.

**1.4 Intangible assets**

Intangible assets relate to single farm payment entitlements which are amortised on a straight line basis in line with income arising.

**1.5 Amortisation**

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

Single farm payment entitlement is amortised on a straight line basis in line with income arising.

**1.6 Fixed assets**

Fixed assets, with the exception of freehold land and buildings, are included in the accounts at cost less depreciation. Freehold land and buildings are included at valuation. Revaluation gains and losses are normally recognised in the statement of total recognised gains and losses and transferred to an undistributable revaluation reserve. If however the valuation is less than the depreciated historical cost then the revaluation loss is recognised in the profit and loss account, except to the extent that the recoverable amount exceeds the revalued amount, when the excess is recognised in the statement of total recognised gains and losses.

# BROADLAND PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

### 1. ACCOUNTING POLICIES *(continued)*

#### 1.7 Depreciation

Depreciation is provided at the following rates in order to write off expenditure less estimated residual value over the expected useful lives of the assets.

Freehold property	- 0% to 4% per annum on a straight line basis
Long and short leasehold property	- written off over remaining lease period on a straight line basis
Fixtures and fittings	- 20% to 25% per annum on a reducing balance basis and 10% on a straight line basis
Computer equipment	- 25% to 33% per annum on a straight line basis
Motor vehicles	- 12.5% to 25% per annum on a reducing balance basis
General plant and machinery	- 20% per annum on a reducing balance basis and 3.33% to 5% on a straight line basis
Farming plant and machinery	- 2.5% to 30% on a reducing balance basis
Herd	- 25% to 33% per annum on a straight line basis

No depreciation charge is made against certain historic properties at a valuation of £20,763,000 (2013 - £20,761,000), together with paintings and exhibits on display at a cost of £3,631,000 (2013 - £3,534,000) held by the group as the directors anticipate that, for the foreseeable future, their estimated residual value will not be less than the book value in these accounts. This departure from statutory accounting principles is enabled under Section 396(5) of the Companies Act 2006 for the overriding purpose of presenting a true and fair view. Such assets are the subject of an annual impairment review. Assets in the course of construction are not depreciated until they are brought into commercial use when they are transferred to the relevant asset headings.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

#### 1.8 Investment properties

In accordance with SSAP 19, the directors have included the company's investment properties in the balance sheet at their estimate of open market value. The aggregate surplus or deficit on revaluation is transferred to undistributable revaluation reserve. If deficits are considered permanent then these are written off to the profit and loss account.

No depreciation is provided on freehold investment properties which is a departure from the requirements of the Companies Act 2006. In the opinion of the directors these properties are held primarily for their investment potential and so their current value is of more significance than any measure of consumption and to depreciate them would not give a true and fair view. The provisions of SSAP 19 in respect of investment properties have therefore been adopted in order to give a true and fair view. If this departure from the Act had not been made, the results for the year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified and the amount which might otherwise have been shown cannot be separately identified or quantified.

**BROADLAND PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES** *(continued)*

**1.9 Stock**

Stock, including attributable production overheads, is valued at the lower of cost and net realisable value which is critically reviewed by the directors.

Interest payable is charged to the profit and loss account and not included in stock.

**1.10 Work in progress**

Work in progress, including attributable production overheads, is valued at the lower of cost and net realisable value which is critically reviewed by the directors.

Interest payable is charged to the profit and loss account and not included in work in progress.

**1.11 Leasing and hire purchase commitments**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the consolidated profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the consolidated profit and loss account on a straight line basis over the lease term.

**1.12 Pension costs**

The Group operates defined contribution pension schemes for employees. The assets of the schemes are held separately from those of the Group. The annual contributions payable are charged to the profit and loss account.

**1.13 Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

**BROADLAND PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES** *(continued)*

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**1.14 Foreign currencies**

The results for the period, assets and liabilities of the Polish subsidiaries are translated into sterling at the closing rate of exchange at the year end date. Exchange differences arising from the translation have been taken to the profit and loss account as other operating income.

Exchange rate differences arising from the retranslation of the net investment, including long term loans, in the Polish subsidiaries at the closing rate have been recorded as a movement on reserves, although when long term loans are repaid, or shares redeemed, the actual exchange difference which has crystallised is taken to the profit and loss account as other operating income.

**1.15 Acquisition and disposal of properties**

Acquisitions of properties are accounted for on the date of unconditional contract and disposals of properties on the date of legal completion.

**1.16 Investments**

Quoted and unquoted investments are stated at cost less any permanent diminution in value.

**1.17 Government grants**

Capital based grants are treated as deferred income and transferred to the profit and loss account over the useful lives of the related assets. Revenue grants are recognised in the profit and loss account to match with the expenditure towards which they are intended to contribute.

**1.18 Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

**BROADLAND PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2014**

**2. TURNOVER**

Segmental analysis:

The group operates in the following geographical segments applicable to origin and destination of turnover.

	2014 £'000	2013 £'000
<b>United Kingdom</b>		
Property	11,906	9,746
Leisure	5,599	5,392
Renewables	1,706	1,173
Other	1,373	663
	<u>20,584</u>	<u>16,974</u>
<b>Poland</b>		
Farming	18,046	16,863
	<u>38,630</u>	<u>33,837</u>

**3. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	2014 £000	2013 £000
Amortisation of intangible assets	72	69
Depreciation of owned fixed assets	2,408	2,427
Depreciation of assets held under hire purchase agreements	17	–
Auditors' remuneration		
- as auditors	56	49
- for other services	125	152
Operating lease costs:		
- Land and buildings	363	508
- Plant and machinery	126	140
Net loss/gain on foreign currency translation	<u>185</u>	<u>(133)</u>

**Auditors' fees**

The fees charged by the auditors for other services can be further analysed under the following headings for services rendered:

	2014 £000	2013 £000
Audit of subsidiaries	92	100
Taxation compliance	10	19
Other services	23	33
	<u>125</u>	<u>152</u>

**BROADLAND PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the group during the financial year amounted to:

	<b>2014</b>	2013
	<b>No</b>	No
Property	<b>6</b>	6
Leisure	<b>93</b>	91
Administration	<b>60</b>	62
Farming & maintenance	<b>147</b>	150
	<u><b>306</b></u>	<u>309</u>

The aggregate payroll costs of the above were:

	<b>2014</b>	2013
	<b>£000</b>	£000
Wages and salaries	<b>6,333</b>	6,296
Social security costs	<b>810</b>	821
Other pension costs	<b>291</b>	210
	<u><b>7,434</b></u>	<u>7,327</u>

**5. DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were:

	<b>2014</b>	2013
	<b>£000</b>	£000
Remuneration receivable	<b>1,015</b>	1,077
Value of company pension contributions to money purchase schemes	<b>35</b>	60
	<u><b>1,050</b></u>	<u>1,137</u>

**Remuneration of highest paid director:**

	<b>2014</b>	2013
	<b>£000</b>	£000
Total remuneration (excluding pension contributions)	<b>304</b>	336
Value of company pension contributions to money purchase schemes	<b>22</b>	30
	<u><b>326</b></u>	<u>366</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	<b>2014</b>	2013
	<b>No</b>	No
Money purchase schemes	<u><b>6</b></u>	<u>6</u>

**BROADLAND PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2014**

**6. AMOUNTS WRITTEN OFF INVESTMENTS**

Amounts written off investments includes a current year provision of £700,000 (2013 - £2,800,000) against a loan included in debtors.

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Interest payable on bank borrowing	<b>621</b>	778
Finance charges	<b>3</b>	1
Other interest payable	<b>–</b>	16
	<b><u>624</u></b>	<u>795</u>

**8. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 22% (2013 - 23.50%)	<b>906</b>	617
(Over)/under provision in prior year	<b>8</b>	(27)
Total current tax	<b><u>914</u></b>	<u>590</u>
Deferred tax:		
Origination and reversal of timing differences	<b><u>136</u></b>	<u>(141)</u>
Tax on profit on ordinary activities	<b><u>1,050</u></b>	<u>449</u>

**BROADLAND PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2014**

**8. TAXATION ON ORDINARY ACTIVITIES** *(continued)*

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 22% (2013 - 23.50%).

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before taxation	<u><b>5,333</b></u>	<u><b>1,101</b></u>
Profit on ordinary activities by rate of tax	<b>1,173</b>	258
Permanent timing differences	<b>1,308</b>	766
Capital allowances in excess of depreciation	<b>(134)</b>	138
Short term timing differences	<b>(2)</b>	3
Tax taken through revaluation reserve	<b>(928)</b>	-
Adjustment to tax charge in respect of prior periods	<b>8</b>	(27)
Foreign results not taxable/ relieviable	<b>(498)</b>	(408)
Change in deferred tax rates	<b>(13)</b>	(140)
Total current tax (note 8(a))	<u><b>914</b></u>	<u><b>590</b></u>

**(c) Factors that may affect future tax charges**

No provision has been made for deferred tax on gains recognised on revaluing investment properties or freehold land and buildings held as fixed assets. Such tax would become payable only when the properties were sold. Provision for taxation on disposal is made where a binding agreement to sell has been entered into by the balance sheet date.

**9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY**

The profit dealt with in the financial statements of the parent company was £5,887,000 (2013 - £29,723,000).

**10. DIVIDENDS**

**Equity dividends**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Paid during the year:		
Dividends on equity shares	<u><b>997</b></u>	<u><b>445</b></u>



**BROADLAND PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. INTANGIBLE FIXED ASSETS**

<b>Group and company</b>	<b>Intangible £000</b>
<b>COST</b>	
At 1 October 2013	310
Additions	13
Disposals	<u>(23)</u>
<b>At 30 September 2014</b>	<u><b>300</b></u>
<b>AMORTISATION</b>	
At 1 October 2013	166
Charge for the year	72
On disposals	<u>(15)</u>
<b>At 30 September 2014</b>	<u><b>223</b></u>
<b>NET BOOK VALUE</b>	
<b>At 30 September 2014</b>	<u><b>77</b></u>
At 30 September 2013	<u>144</u>

# BROADLAND PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

### 12. TANGIBLE FIXED ASSETS

Group

	Land and buildings	Plant & machinery & motor vehicles	Fixtures, fittings, tools & equipment	Herd	Assets in course of construction	Total
	£000	£000	£000	£000	£000	£000
<b>COST OR VALUATION</b>						
At 1 Oct 2013	95,727	26,845	7,582	862	67	131,083
Additions	1,351	2,799	678	–	514	5,342
Disposals	(60)	(962)	(48)	(219)	(2)	(1,291)
Exchange loss	(4,015)	(714)	(40)	(50)	(4)	(4,823)
Transfers	–	1	(1)	247	–	247
<b>At 30 Sep 2014</b>	<b>93,003</b>	<b>27,969</b>	<b>8,171</b>	<b>840</b>	<b>575</b>	<b>130,558</b>
<b>DEPRECIATION</b>						
At 1 Oct 2013	1,055	11,864	3,098	257	–	16,274
Charge for the year	374	1,709	280	62	–	2,425
On disposals	(9)	(826)	(43)	–	–	(878)
Exchange gain	(24)	(481)	(22)	(15)	–	(542)
<b>At 30 Sep 2014</b>	<b>1,396</b>	<b>12,266</b>	<b>3,313</b>	<b>304</b>	<b>–</b>	<b>17,279</b>
<b>NET BOOK VALUE</b>						
<b>At 30 Sep 2014</b>	<b>91,607</b>	<b>15,703</b>	<b>4,858</b>	<b>536</b>	<b>575</b>	<b>113,279</b>
At 30 Sep 2013	94,672	14,981	4,484	605	67	114,809
<b>Cost or valuation</b>						
Cost	2,209	27,969	8,171	840	575	39,764
Valuation	90,794	–	–	–	–	90,794
	<b>93,003</b>	<b>27,969</b>	<b>8,171</b>	<b>840</b>	<b>575</b>	<b>130,558</b>

# BROADLAND PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 30 SEPTEMBER 2014

#### Tangible fixed assets-group (continued)

The net book value of land and buildings comprises:

	2014 £'000	2013 £'000
Freehold	90,232	93,258
Long leases (over 50 years unexpired)	103	103
Short leases	1,272	1,311
	<u>91,607</u>	<u>94,672</u>

Freehold land and buildings situated in the UK were revalued as at 30 September 2012 by external valuers, Savills UK Limited who are RICS registered valuers. The valuations were prepared on the basis of existing use value as fully equipped operational entities, having regard to trading potential.

Freehold land and buildings situated in Poland were revalued by Ernst & Young Corporate Finance Sp.z.o.o. as at 30 September 2012, who are RICS registered valuers, at open market value including specialised properties at depreciated replacement cost.

	2014 £'000	2013 £'000
Net book value at end of year	<u>90,232</u>	<u>93,258</u>

#### Historical cost

As at 30 Sep 2013	20,167	19,966
Exchange gain/(loss)	(668)	240
Transferred	–	(133)
Additions	1,292	196
Disposals	(49)	(102)
As at 30 Sep 2014	<u>20,742</u>	<u>20,167</u>

#### Depreciation

As at 30 Sep 2013	2,386	2,249
Exchange loss/(gain)	(102)	34
Aggregate depreciation on revalued assets	284	269
Eliminated re disposals	(5)	(166)
As at 30 Sep 2014	<u>2,563</u>	<u>2,386</u>
Net historical cost value	<u>18,178</u>	<u>17,781</u>

#### Hire purchase agreements

Included within the net book value of £113,279,000 is £288,000 (2013 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £17,000 (2013 - £Nil).

**BROADLAND PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2014**

**12. TANGIBLE FIXED ASSETS** *(continued)*

**Company**

	<b>Land and buildings</b>	<b>Plant &amp; machinery &amp; motor vehicles</b>	<b>Fixtures, fittings, tools &amp; equipment</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>COST OR VALUATION</b>				
At 1 October 2013	1,670	2,451	743	4,864
Additions	59	444	31	534
Disposals	–	(46)	–	(46)
<b>At 30 September 2014</b>	<b>1,729</b>	<b>2,849</b>	<b>774</b>	<b>5,352</b>
<b>DEPRECIATION</b>				
At 1 October 2013	586	1,078	495	2,159
Charge for the year	70	170	13	253
On disposals	–	(38)	–	(38)
<b>At 30 September 2014</b>	<b>656</b>	<b>1,210</b>	<b>508</b>	<b>2,374</b>
<b>NET BOOK VALUE</b>				
<b>At 30 September 2014</b>	<b>1,073</b>	<b>1,639</b>	<b>266</b>	<b>2,978</b>
At 30 September 2013	1,084	1,373	248	2,705

	<b>2014 £000</b>	<b>2013 £000</b>
The net book value of leasehold property comprises:		
Long leases (over 50 years unexpired)	102	103
Short leases	971	981
<b>Total leasehold property</b>	<b>1,073</b>	<b>1,084</b>

**BROADLAND PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. INVESTMENTS**

<b>Group</b>	<b>Other investments £000</b>
<b>COST OR VALUATION</b>	
At 1 October 2013	113,090
Exchange adjustment	(3)
Revaluation	12,385
Additions	1,002
Disposal	(4,967)
At 30 September 2014	<u>121,507</u>
<b>AMOUNTS PROVIDED</b>	
At 1 October 2013	1,069
Provided in period	1,064
At 30 September 2014	<u>2,133</u>
<b>NET BOOK VALUE</b>	
At 30 September 2014	<u>119,374</u>
At 1 October 2013	<u>112,021</u>

**BROADLAND PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. INVESTMENTS** *(continued)*

**Cost or Valuation**

Cost	1,195
Directors valuation - 2014	120,312
	<u>121,507</u>

Market valuation	<u>119,373</u>
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**Historical Cost**

At 30 September 2014	53,747
At 30 September 2013	<u>54,406</u>

**Investment properties**

Other investments include investment properties with a net book value of £118,629,000 (2013 - £110,914,000)

Investment properties have been revalued at their open market value as at the year end by the following directors Mr J. Guthrie (FRICS), Mr R.G. Urquhart (MRICS), Mr R. Guthrie (RICS) and Mr J.M. Hill (RICS).

**Significant holdings**

Broadland Properties Limited holds 94.26% of non-voting ordinary £1 B shares in The Silver Rocket Ship Company Limited.

**Acquisition of subsidiary undertaking**

Gamma Sp.z.o.o. acquired on 24 July 2014

	Balance sheet at date of acquisition £'000	Revaluations £'000	Fair Value £'000
Net assets acquired:			
Stock	81	414	495
Debtors	1	–	1
Cash	2	–	2
Loan from participator	(91)	–	(91)
	<u>(7)</u>	<u>414</u>	<u>407</u>
Satisfied by:			
Creditor			282
Cash			125
			<u>407</u>

**BROADLAND PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. INVESTMENTS** *(continued)*

Company	Shares in group companies £000	Loans to group companies £000	Other investments £000	Total £000
<b>COST OR VALUATION</b>				
At 1 October 2013	14,746	19,900	27,180	61,826
Revaluation	-	-	9,662	9,662
Additions	-	-	916	916
Disposal	-	-	(193)	(193)
Repayment of group loans	-	(500)	-	(500)
At 30 September 2014	<u>14,746</u>	<u>19,400</u>	<u>37,565</u>	<u>71,711</u>
<b>AMOUNTS PROVIDED</b>				
At 1 October 2013	1,628	-	-	1,628
Provided in period	-	-	158	158
At 30 September 2014	<u>1,628</u>	<u>-</u>	<u>158</u>	<u>1,786</u>
<b>NET BOOK VALUE</b>				
At 30 September 2014	<u>13,118</u>	<u>19,400</u>	<u>37,407</u>	<u>69,925</u>
At 1 October 2013	<u>13,118</u>	<u>19,900</u>	<u>27,180</u>	<u>60,198</u>

£000

**Cost or Valuation**

Cost	34,647
Directors valuation - 2013	<u>37,064</u>
	<u>71,711</u>

**Historical Cost**

At 30 September 2014	<u>45,713</u>
At 30 September 2013	<u>45,329</u>

**Investment properties**

Other investments include investment properties with a net book value of £37,065,000 (2013 - £26,680,000)

Investment properties have been revalued at their open market value as at the year end by the following directors Mr J. Guthrie (FRICS), Mr R.G. Urquhart (MRICS), Mr R. Guthrie (RICS) and Mr J.M. Hill (RICS).

**Significant holdings**

Broadland Properties Limited holds 94.26% of non-voting ordinary £1 B shares in The Silver Rocket Ship Company Limited.

# BROADLAND PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

### 14. SUBSIDIARY COMPANIES

#### Subsidiary companies

	Country of registration or incorporation	Class	Shares held %
York & District Investment Company Limited	England	Ordinary	100%
Broadland Properties Estates Limited	England	Ordinary	100%
County Properties Group Limited	England	Ordinary	100%
Hever Castle Limited	England	Ordinary	100%
Marshall Estates Limited	England	Ordinary	90.9%
Nevis Property Company Limited	England	Ordinary	100%
St David Properties Limited	England	Ordinary	100%
Pavilion Square (Scarborough) Limited	England	Ordinary	100%
Pluspure plc	England	Ordinary	100%
New Cavendish Estates Limited	England	Ordinary	100%
Broadland Properties Consultancy Limited	England	Ordinary	100%
Baltic UK Limited	England	Ordinary	100%
The Oak Brewery Company Limited	England	Ordinary	100%
Rothley Temple Estates Limited	England	Ordinary	61.23%
Broadland Renewable Energy Limited	England	Ordinary	100%
Broadland Renewable Construction Limited	England	Ordinary	100%
Broadland Energy (Cormonachan) Limited	England	Ordinary	100%
Broadland Energy (Donich) Limited	England	Ordinary	100%
Broadland Energy (Laudale) Limited	England	Ordinary	100%
Broadland Energy (Moy) Limited	England	Ordinary	100%
<b>Sub-subsidiaries</b>			
County Properties (Northern) Limited	England	Ordinary	100%
County Properties Limited	England	Ordinary	100%
Hever Castle Golf Club Limited	England	Ordinary	100%
The Learmonth Property Investment Company Limited	Scotland	Ordinary	100%
County Residential Limited	Scotland	Ordinary	100%
Broadland Properties Poland Sp.z.o.o.	Poland	Ordinary	100%
Zegart Farms Sp.z.o.o.	Poland	Ordinary	100%
Polhoz Sp.z.o.o.	Poland	Ordinary	100%
Nasiennictwo Bałtyckie Sp.z.o.o.	Poland	Ordinary	100%
Liberum Sp.z.o.o.	Poland	Ordinary	100%
GGL Holdings Limited	Scotland	Ordinary £1	75%
		Ordinary	
		50p	100%
Agromak Sp.z.o.o.	Poland	Ordinary	100%
Inwestycje Ziemske Sp.z.o.o.	Poland	Ordinary	100%
Towarzystwo Ziemske Kujawy Sp.z.o.o.	Poland	Ordinary	100%
Morga Sp.z.o.o.	Poland	Ordinary	100%
Thistle Property Poland Sp.z.o.o.	Poland	Ordinary	100%
Gamma Sp.z.o.o.	Poland	Ordinary	100%

The activities of subsidiary companies include a stately home open to the public and both trading and investment companies engaged in development and letting of commercial, industrial and residential properties, together with farming activities and renewable energy production.



**BROADLAND PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. STOCKS**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Raw materials	890	1,537	–	–
Work in progress	9,894	8,334	772	787
Finished goods and goods for resale	7,168	8,627	445	441
	<u>17,952</u>	<u>18,498</u>	<u>1,217</u>	<u>1,228</u>

**16. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade debtors	3,357	3,064	425	519
Amounts owed by group undertakings	–	–	47,368	48,559
Other debtors	6,182	5,063	4,118	3,259
Prepayments and accrued income	1,112	1,640	223	737
	<u>10,651</u>	<u>9,767</u>	<u>52,134</u>	<u>53,074</u>

The debtors above include the following amounts falling due after more than one year:

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Amounts owed by group undertakings	–	–	–	35,495
Other debtors	–	2,200	–	2,200
Prepayments and accrued income	303	328	40	69
	<u>303</u>	<u>2,528</u>	<u>40</u>	<u>37,764</u>

**17. CREDITORS: Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bank loans and overdrafts	3,552	1,877	–	–
Trade creditors	1,742	1,950	271	773
Amounts owed to group undertakings	–	–	177	1,641
Hire purchase agreements	53	–	–	–
Corporation tax	924	342	–	–
Other taxation and social security	813	755	277	171
Other creditors	2,379	1,953	458	574
Accruals and deferred income	1,988	2,213	127	204
	<u>11,451</u>	<u>9,090</u>	<u>1,310</u>	<u>3,363</u>

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**17. CREDITORS: Amounts falling due within one year** *(continued)*

The following liabilities disclosed under creditors falling due within one year are secured by the group:

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bank loans and overdrafts	<u>3,552</u>	<u>1,877</u>	<u>—</u>	<u>—</u>

**18. CREDITORS: Amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bank loans and overdrafts	16,859	16,942	—	—
Hire purchase agreements	192	—	—	—
Other creditors	84	88	—	—
	<u>17,135</u>	<u>17,030</u>	<u>—</u>	<u>—</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the group:

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bank loans and overdrafts	<u>16,859</u>	<u>16,942</u>	<u>—</u>	<u>—</u>

Secured borrowings totalling £20,411,000 (2013 - £18,819,000), including bank loans and overdrafts due within one year, are secured upon the group's freehold property held as tangible assets, certain investment, development and dealing properties, other fixed assets and by cross-guarantee as detailed in note 22. The group's principal loans are also secured by means of a debenture creating fixed and floating charges over all of the parent and certain subsidiary companies' assets.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment by instalments after more than five years from the balance sheet date:

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Bank loans and overdrafts	<u>198</u>	<u>271</u>	<u>—</u>	<u>—</u>

# BROADLAND PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

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### 19. PENSIONS

The group operates defined contribution pension schemes for employees. The amount of contributions payable during the year amounted to £290,502 (2013 - £210,488). Contributions of £20,572 (2013 - £24,794) were outstanding at the year end.

### 20. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Provision brought forward	<b>936</b>	1,077	<b>24</b>	34
Increase/(Decrease) in provision	<b>136</b>	(141)	<b>(2)</b>	(10)
Provision carried forward	<b><u>1,072</u></b>	<u>936</u>	<b><u>22</u></b>	<u>24</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

<b>Group</b>	<b>2014</b>		<b>2013</b>	
	<b>Provided</b>	<b>Unprovided</b>	<b>Provided</b>	<b>Unprovided</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Excess of taxation allowances over depreciation on fixed assets	<b>1,150</b>	-	1,016	-
Short-term timing differences	-	-	(2)	-
Unrealised profits	<b>(78)</b>	-	(78)	-
Deferred tax not provided - on disposal of revalued assets	-	<b>18,124</b>	-	20,308
	<b><u>1,072</u></b>	<b><u>18,124</u></b>	<u>936</u>	<u>20,308</u>

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of:

<b>Company</b>	<b>2014</b>		<b>2013</b>	
	<b>Provided</b>	<b>Unprovided</b>	<b>Provided</b>	<b>Unprovided</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Excess of taxation allowances over depreciation on fixed assets	<b>22</b>	-	26	-
Short-term timing differences	-	-	(2)	-
Deferred tax not provided - on disposal of revalued assets	-	<b>2,549</b>	-	2,413
	<b><u>22</u></b>	<b><u>2,549</u></b>	<u>24</u>	<u>2,413</u>

# BROADLAND PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

### 21. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2014 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2014		2013	
	Land and buildings £000	Other items £000	Land and buildings £000	Other items £000
Operating leases which expire:				
Within 2 to 5 years	198	126	251	133
After more than 5 years	110	-	110	-
	<u>308</u>	<u>126</u>	<u>361</u>	<u>133</u>

At 30 September 2014 the company had annual commitments under non-cancellable operating leases as set out below.

Company	2014		2013	
	Land and buildings £000	Other items £000	Land and buildings £000	Other items £000
Operating leases which expire:				
Within 2 to 5 years	-	-	16	-
After more than 5 years	126	-	110	-
	<u>126</u>	<u>-</u>	<u>126</u>	<u>-</u>

### 22. CONTINGENCIES

The holding company and principal subsidiaries have given cross guarantees in respect of group borrowings from their bankers and have also entered into a group offset arrangement. Security given includes a debenture over the whole assets of the holding company and principal subsidiaries. The holding company has also given guarantees to the bankers of subsidiary companies in respect of those companies' borrowings.

# BROADLAND PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

### 23. RELATED PARTY TRANSACTIONS

Broadland Properties Limited are tenants of approximately 30,000 acres of land held for agricultural and sporting purposes. The rent payable was £1,150 (2013 - £1,150) and certain rights are reserved to the landlord. The landlords are John Guthrie and the Trustees of John Guthrie's Settlement 2003, of which Mr. P. J. Guthrie is a beneficiary. The company also paid rent for land on which the company has hydro schemes, the rent payable in the year was £122,955 (2013 - £83,364) and £16,135 (2013 - £18,208) was outstanding at the year end. The landlords are the Trustees of John Guthrie's Settlement 2003, of which Mr. P. J. Guthrie is a beneficiary.

The company leases a property from the Broadland Properties Executive Pension Scheme on an arms length basis at an annual rental of £108,400.

Included in other debtors is an interest free loan of £1,500,000 (2013 - £2,200,000) to The Scarborough Rocket Ship Company Limited, a company which is controlled by Mr R. Guthrie, a director of this company. The year end balance is stated after a provision of £3,500,000 of which £700,000 has been made against the loan during the current year.

The company has an investment of £200,000 (2013 - £200,000) in non-voting B £1 ordinary shares and included in other debtors is an interest free loan of £800,000 (2013 - £800,000) to The Silver Rocket Ship Company Limited, a company which is controlled by Mr. R. Guthrie, a director of this company.

Included in other debtors are interest free loans of £864,511 each made to R. Guthrie and P.J. Guthrie.

Included in creditors are the following directors' loan accounts, on which no interest has been paid or received:

	2014	2013
	£	£
R. Guthrie	41,270	112,107
P. J. Guthrie	12,522	128,738
J. Guthrie	37,511	6,346

The maximum overdrawn amount of the combined loans in the year were as follows:

R. Guthrie	1,323,563	—
P.J. Guthrie	1,324,694	—

During the period an investment property was purchased for £380,000 from Scarborough College Limited and subsequently leased back, all on an arms length basis. R. Guthrie is a trustee and director of Scarborough College Limited.

During the year dividends of £94,715 (2013 - £42,275) were paid to J. Guthrie, a director of this company, and dividends of £902,285 (2013 - £402,275) were paid into trusts in which R. Guthrie and P.J. Guthrie, directors of this company, have a life interest.

During the year a stock property was disposed of to Broadland Properties Executive Pension Scheme at an open market value of £1,700,000, realising a gain of £655,722.

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**24. SHARE CAPITAL**

Allotted, called up and fully paid:

	2014		2013	
	No	£000	No	£000
Ordinary shares of £1 each	<u>712,000</u>	<u>712</u>	<u>712,000</u>	<u>712</u>

**25. RESERVES**

**Group**

	Investment revaluation reserve £000	Fixed asset revaluation reserve £000	Profit and loss account £000
At 1 October 2013	56,048	77,258	95,858
Profit for the year	—	—	4,252
Equity dividends	—	—	(997)
Exchange differences	—	(3,404)	(1,635)
Other gains and losses			
- Revaluation of fixed assets	12,385	—	—
Tax on realised gain	(928)	—	—
Transfer to/from revaluation reserve	(1,957)	(160)	2,117
Minority interest	355	—	—
At 30 September 2014	<u>65,903</u>	<u>73,694</u>	<u>99,595</u>

The investment revaluation reserve above relates to investment properties.

**Company**

	Investment revaluation reserve £000	Profit and loss account £000
At 1 October 2013	16,497	102,236
Profit for the year	—	5,887
Equity dividends	—	(997)
Other gains and losses		
- Revaluation of fixed assets	9,662	—
Other movements		
- transfer to/from revaluation reserve	(160)	161
At 30 September 2014	<u>25,999</u>	<u>107,287</u>

The investment revaluation reserve above relates to investment properties.

# BROADLAND PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

### 26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £000	2013 £000
Profit for the financial year	4,252	607
Other net recognised gains and losses	12,385	15,124
Equity dividends	(997)	(445)
Exchange differences	(5,039)	1,837
Minority interests in other recognised gains/(losses)	355	(1,204)
Tax on revaluation of property	(928)	—
Net addition to shareholders' funds	10,028	15,919
Opening shareholders' funds	229,876	213,957
Closing shareholders' funds	239,904	229,876

### 27. POST BALANCE SHEET EVENTS

On 10th October 2014 the company paid an interim dividend of 31.25 pence per share.

### 28. CAPITAL COMMITMENTS

	2014		2013	
	Group £000	Parent £000	Group £000	Parent £000
Contracted for but not provided in the accounts				
Capital commitments	1,909	—	96	—