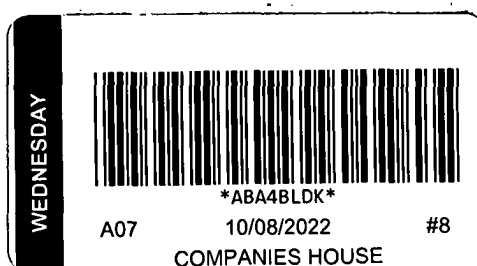


COMPANY REGISTRATION NUMBER: 00483844

Broadland Properties Limited
Financial Statements
31 December 2021



Broadland Properties Limited

Financial Statements

Year ended 31 December 2021

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Broadland Properties Limited

Officers and Professional Advisers

The board of directors

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

Company secretary

D. Beeforth

Registered office

137 Scalby Road
Scarborough
North Yorkshire
YO12 6TB

Auditor

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Bankers

Handelsbanken Plc
3 Thomas More Square
London
E1W 1WY

Broadland Properties Limited

Strategic Report

Year ended 31 December 2021

The company is a holding company with 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 is well diversified, 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 £26,675,000 (2020 - £13,094,000) of which £13,556,000 (2020 - £9,800,000) relates to investment property fair value adjustments. The position of the group at the period end is reflected in the financial statements. Particulars of dividends paid are detailed in note 15 to the financial statements.

The company and the group have been active in the property market, and are still actively seeking investment opportunities.

The Polish farms remained profitable in the year and the directors are confident that this will continue.

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

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 effect of the COVID-19 outbreak was still felt by Hever Castle and Golf Club, though to a lesser degree than in the previous year when temporary closures were suffered. The group is exposed to movement on foreign exchange rates with respect to its interests in Poland.

Section 172(1) statement

In accordance with section 172 of the Companies Act 2006, the directors have acted in good faith to promote the success of the group whilst taking into account the effects on all stakeholders.

Investment decisions are made on the basis of securing the longevity of the group, providing a return to shareholders and maintaining employment opportunities.

As noted in the Employment Policies, communication is maintained with employees and professional employment advice is sought whenever deemed necessary.

Creditors are paid within their specified payment terms.

The directors work to establish lines of communication with debtors where necessary.

This report was approved by the board of directors on 23 June 2022 and signed by order of the board by:



D. Beeforth
Company Secretary

Broadland Properties Limited

Directors' Report

Year ended 31 December 2021

The directors present their report and the financial statements of the group for the year ended 31 December 2021.

Directors

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

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

Dividends

Particulars of recommended dividends are detailed in note 15 to the financial statements.

Political donations and expenditure

During the year the group has made the following political contributions:

	2021	2020
	£000	£000
Contribution for political purposes to the Conservative Association	<u>51</u>	<u>51</u>

Greenhouse gas emissions and energy consumption

Information not included

The company consumes less than 40,000 kWh of energy each year, therefore energy efficiency disclosures under the Streamlined Energy and Carbon Reporting regulations ("SECR") are not disclosed. On a consolidated basis there is no additional disclosure on the basis that all subsidiary companies are not required to report under the SECR in their own right due to either being non- large companies or consuming less than 40,000 kWh of energy annually.

Employment of disabled persons

It is the policy of the group that there should be no unfair discrimination in considering applications for employment, including those from disabled persons. Should any employee become disabled, every practical effort is made to provide continuing employment.

Employee involvement

The directors are committed to maintain and develop communication with employees, who are encouraged to become aware of and involve themselves in the performance of the company.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 37 to the financial statements.

Broadland Properties Limited

Directors' Report *(continued)*

Year ended 31 December 2021

Disclosure of information in the 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.

Directors' responsibilities statement

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 group and the company and the profit or loss of the group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the 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.

Auditor

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

- so far as they are aware, there is no relevant audit information of which the group's auditor and the company's auditor is unaware; and
- they have 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 group and the company's auditor is aware of that information.

This report was approved by the board of directors on 23 June 2022 and signed by order of the board by:



D. Beeforth
Company Secretary

Broadland Properties Limited

Independent Auditor's Report to the Members of Broadland Properties Limited

Year ended 31 December 2021

Opinion

We have audited the financial statements of Broadland Properties Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Broadland Properties Limited

Independent Auditor's Report to the Members of Broadland Properties Limited (continued)

Year ended 31 December 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Broadland Properties Limited

Independent Auditor's Report to the Members of Broadland Properties Limited (continued)

Year ended 31 December 2021

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Broadland Properties Limited

Independent Auditor's Report to the Members of Broadland Properties Limited (continued)

Year ended 31 December 2021

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the parent company and the group, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the parent company's and group's legal advisors.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

Broadland Properties Limited

Independent Auditor's Report to the Members of Broadland Properties Limited *(continued)*

Year ended 31 December 2021

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Luke Taylor Bsc (Hons) ACA (Senior Statutory Auditor)

For and on behalf of
Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

23 June 2022

Broadland Properties Limited

Consolidated Income Statement

Year ended 31 December 2021

	Note	2021 £000	2020 £000
Turnover	4	56,112	45,248
Cost of sales		<u>(30,729)</u>	<u>(32,237)</u>
Gross profit		25,383	13,011
Administrative expenses		(8,123)	(7,361)
Other operating income/(expenses)	5	<u>18,957</u>	<u>10,280</u>
Operating profit	6	36,217	15,930
Income from other fixed asset investments	10	—	32
Other interest receivable and similar income	11	117	92
Amounts written back to/written off investments	12	(308)	943
Interest payable and similar expenses	13	<u>(40)</u>	<u>(169)</u>
Profit before taxation		35,986	16,828
Tax on profit	14	<u>(9,311)</u>	<u>(3,734)</u>
Profit for the financial year		26,675	13,094
Profit for the financial year attributable to:			
The owners of the parent company		26,639	13,060
Non-controlling interests		<u>36</u>	<u>34</u>
		26,675	13,094

All the activities of the group are from continuing operations.

The notes on pages 19 to 42 form part of these financial statements.

Broadland Properties Limited
Consolidated Statement of Comprehensive Income
Year ended 31 December 2021

	2021 £000	2020 £000
Profit for the financial year	26,675	13,094
Foreign currency retranslation	(6,098)	(2,615)
Tax relating to components of other comprehensive income	(664)	—
Other comprehensive income for the year	(6,762)	(2,615)
Total comprehensive income for the year	<u>19,913</u>	<u>10,479</u>
Total comprehensive income for the year attributable to:		
The owners of the parent company	19,877	10,445
Non-controlling interests	36	34
	<u>19,913</u>	<u>10,479</u>

The notes on pages 19 to 42 form part of these financial statements.

Broadland Properties Limited
Consolidated Statement of Financial Position
31 December 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	16	55	55
Tangible assets	17	127,274	131,168
Investments	18	1,262	1,416
Investment Property	18	168,843	159,982
		<u>297,434</u>	<u>292,621</u>
Current assets			
Stocks	19	17,973	20,493
Debtors	20	14,728	13,291
Cash at bank and in hand		31,759	7,982
		<u>64,460</u>	<u>41,766</u>
Creditors: amounts falling due within one year	21	<u>(11,023)</u>	<u>(8,726)</u>
Net current assets		<u>53,437</u>	<u>33,040</u>
Total assets less current liabilities		<u>350,871</u>	<u>325,661</u>
Creditors: amounts falling due after more than one year	22	(675)	(1,000)
Provisions	24	(19,131)	(13,053)
Net assets		<u>331,065</u>	<u>311,608</u>
Capital and reserves			
Called up share capital	29	692	692
Revaluation reserve	30	67,544	71,820
Capital redemption reserve	30	20	20
Profit and loss account	30	262,046	238,325
Equity attributable to the owners of the parent company		<u>330,302</u>	<u>310,857</u>
Non-controlling interests		<u>763</u>	<u>751</u>
		<u>331,065</u>	<u>311,608</u>

The consolidated statement of financial position
continues on the following page.

The notes on pages 19 to 42 form part of these financial statements.

Broadland Properties Limited

Consolidated Statement of Financial Position *(continued)*

31 December 2021

These financial statements were approved by the board of directors and authorised for issue on 23 June 2022, and are signed on behalf of the board by:



R. Guthrie
Director

Company registration number: 00483844

The notes on pages 19 to 42 form part of these financial statements.

Broadland Properties Limited
Company Statement of Financial Position
31 December 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	16	47	47
Tangible assets	17	5,659	5,014
Investments	18	13,962	14,244
Investment Property	18	50,669	44,219
		<u>70,337</u>	<u>63,524</u>
Current assets			
Stocks	19	1,127	1,061
Debtors	20	109,638	108,103
Cash at bank and in hand		5,718	557
		<u>116,483</u>	<u>109,721</u>
Creditors: amounts falling due within one year	21	<u>(1,897)</u>	<u>(1,596)</u>
Net current assets		<u>114,586</u>	<u>108,125</u>
Total assets less current liabilities		<u>184,923</u>	<u>171,649</u>
Provisions	24	<u>(3,567)</u>	<u>(2,237)</u>
Net assets		<u>181,356</u>	<u>169,412</u>
Capital and reserves			
Called up share capital	29	692	692
Revaluation reserve	30	397	414
Capital redemption reserve	30	20	20
Profit and loss account	30	180,247	168,286
Shareholders funds		<u>181,356</u>	<u>169,412</u>

The profit for the financial year of the parent company was £12,393,000 (2020: £5,635,000).

These financial statements were approved by the board of directors and authorised for issue on 23 June 2022, and are signed on behalf of the board by:

R. Guthrie
Director



Company registration number: 00483844

The notes on pages 19 to 42 form part of these financial statements.

Broadland Properties Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2021

	Called up share capital £000	Revaluation reserve £000	Capital redemption reserve £000	Profit and loss account £000	Equity attributable to the owners of the parent company £000	Non- controlling interests £000	Total £000
At 1 January 2020	692	73,376	20	226,756	300,844	739	301,583
Profit for the year				13,060	13,060	34	13,094
Other comprehensive income for the year:							
Foreign currency retranslation	-	(1,514)	-	(1,101)	(2,615)	-	(2,615)
Reclassification from revaluation reserve to profit and loss account	-	(42)	-	42	-	-	-
Total comprehensive income for the year	-	(1,556)	-	12,001	10,445	34	10,479
Dividends paid and payable	-	-	-	(432)	(432)	(22)	(454)
Total investments by and distributions to owners	-	-	-	(432)	(432)	(22)	(454)
At 31 December 2020	692	71,820	20	238,325	310,857	751	311,608
Profit for the year				26,639	26,639	36	26,675
Other comprehensive income for the year:							
Foreign currency retranslation	-	(3,576)	-	(2,522)	(6,098)	-	(6,098)
Reclassification from revaluation reserve to profit and loss account	-	(36)	-	36	-	-	-
Tax relating to components of other comprehensive income	-	(664)	-	-	(664)	-	(664)
Total comprehensive income for the year	-	(4,276)	-	24,153	19,877	36	19,913

The consolidated statement of changes in equity
continues on the following page.

The notes on pages 19 to 42 form part of these financial statements.

Broadland Properties Limited
Consolidated Statement of Changes in Equity (continued)
Year ended 31 December 2021

	Called up share capital £000	Revaluation reserve £000	Capital redemption reserve £000	Profit and loss account £000	Equity attributable to the owners of the parent company £000	Non- controlling interests £000	Total £000
Dividends paid and payable	15	-	-	(432)	(432)	(24)	(456)
Total investments by and distributions to owners	-	-	-	(432)	(432)	(24)	(456)
At 31 December 2021	692	67,544	20	262,046	330,302	763	331,065

The notes on pages 19 to 42 form part of these financial statements.

Broadland Properties Limited
Company Statement of Changes in Equity

Year ended 31 December 2021

	Called up share capital £000	Revaluation reserve £000	Capital redemption reserve £000	Profit and loss account £000	Total £000
At 1 January 2020	692	414	20	163,083	164,209
Profit for the year	—	—	—	5,635	5,635
Total comprehensive income for the year	—	—	—	5,635	5,635
Dividends paid and payable	—	—	—	(432)	(432)
Total investments by and distributions to owners	—	—	—	(432)	(432)
At 31 December 2020	692	414	20	168,286	169,412
Profit for the year	—	—	—	12,393	12,393
Other comprehensive income for the year:					
Tax relating to components of other comprehensive income	—	(17)	—	—	(17)
Total comprehensive income for the year	—	(17)	—	12,393	12,376
Dividends paid and payable	—	—	—	(432)	(432)
Total investments by and distributions to owners	—	—	—	(432)	(432)
At 31 December 2021	692	397	20	180,247	181,356

The notes on pages 19 to 42 form part of these financial statements.

Broadland Properties Limited
Consolidated Statement of Cash Flows
Year ended 31 December 2021

	Note	2021 £000	2020 £000
Cash generated from operations	31	22,363	15,110
Interest paid		(42)	(166)
Interest received		117	144
Tax paid		(2,294)	(1,327)
Net cash from operating activities		<u>20,144</u>	<u>13,761</u>
Cash flows from investing activities			
Purchase of tangible assets		(4,626)	(3,025)
Proceeds from sale of tangible assets		375	389
Purchase of intangible assets		–	(43)
Purchases of other investments		(14,944)	(17,202)
Proceeds from sale of other investments		24,759	255
Dividends received		–	32
Net cash from/(used in) investing activities		<u>5,564</u>	<u>(19,594)</u>
Cash flows from financing activities			
Proceeds from borrowings		–	750
Repayments of borrowings		(842)	(95)
Payments of finance lease liabilities		(335)	(288)
Dividends paid		(432)	(432)
Minority interest distribution		(23)	(22)
Net cash used in financing activities		<u>(1,632)</u>	<u>(87)</u>
Net increase/(decrease) in cash and cash equivalents		24,076	(5,920)
Cash and cash equivalents at beginning of year		7,982	14,035
Exchange losses on cash and cash equivalents		(299)	(133)
Cash and cash equivalents at end of year		<u>31,759</u>	<u>7,982</u>

The notes on pages 19 to 42 form part of these financial statements.

Broadland Properties Limited

Notes to the Financial Statements

Year ended 31 December 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The registered office is 137 Scalby Road, Scarborough, North Yorkshire, YO12 6TB.

The continuing activities of the company are those of a holding company with interests in farming and renewable energy generation, as well as leisure and forestry enterprises.

2. Statement of compliance

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and with the Companies Act 2006.

3. Accounting policies

3.1 Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

3.2 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.

3.3 Going concern

Cash flow projections for the Group indicate that it can meet its liabilities as they fall due for the foreseeable future. Therefore, the directors have a reasonable expectation that the Group can continue to adopt the going concern basis in preparing these financial statements.

3.4 Termination benefits

Termination benefits are recognised as an expense in profit or loss immediately. Termination benefits are recognised as a liability and expense only when the company is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

3.5 Investment property

Investment property, which is property held to earn rentals and/ or for capital appreciation, is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is stated at its fair value at each reporting date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Broadland Properties Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

3.6 Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) No disclosure has been given for the aggregate remuneration of key management personnel.

3.7 Foreign currencies

Monetary assets and liabilities are translated into sterling at the rates of exchange ruling at the period end date. Exchange differences are taken into account in arriving at the operating result.

The results for the period are translated into sterling at the average rate. Assets and liabilities of the Polish subsidiaries are translated into sterling at the closing rate of exchange at the period end date.

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 in the statement of changes in equity, although when long term loans are repaid, or shares redeemed, the actual exchange difference which has crystallised is taken to the income statement as other operating income.

3.8 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 income statement after or up to the date that control passes respectively. As a consolidated income statement is published, a separate income statement is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

3.9 Non-controlling interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

3.10 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Broadland Properties Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty *(continued)*

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

The group includes investment property at fair value, this is calculated by reference to market evidence of transaction values of similar property.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The assumptions used regarding useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates, based on market conditions and the physical condition of the assets. The carrying amount as at the end of the reporting period is shown in the tangible assets note.

The directors do not consider that any other estimates and assumptions used in the preparation of these financial statements have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.11 Revenue recognition

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, sale of current asset investments and sale of power and associated government incentives, net of value added tax where applicable. The Group has adopted FRS 102 in accounting for operating lease incentives.

3.12 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.

Broadland Properties Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

3.13 Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis.

3.14 Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

3.15 Tangible 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 a previous revaluation as "deemed cost" on transition to FRS 102.

3.16 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:

Broadland Properties Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Depreciation *(continued)*

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 deemed cost of £20,773,000 (2020 - £20,773,000), together with paintings and exhibits on display at a cost of £4,726,000 (2020 - £4,150,000) 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 impairment provision is however made and treated as a depreciation charge if there is a risk of the asset losing its value when construction is complete.

3.17 Investments

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

Quoted and unquoted investments are stated at cost less any diminution in value, or at fair value if this can be measured reliably. Changes in fair value of investments are included in profit or loss for the period in which they arise.

3.18 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.

3.19 Stocks

Stock is valued at the lower of cost and net realisable value. Stock of biological assets, being cultivations, produce in hand and livestock, are held under the cost model as permitted under s34 of FRS 102. Cost consists of costs of production together with directly associated overheads. The net realisable value of stock of land is critically reviewed by MRICS qualified directors.

Interest payable is charged to the income statement and not included in stock.

Broadland Properties Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

3.20 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.

3.21 Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. The Coronavirus Job Retention Scheme (CJRS) grant has been accounted for under the accrual model.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

3.22 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.

Broadland Properties Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

3.23 Financial instruments

The company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and related parties.

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of amounts recoverable, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cashflows from the asset expire, or when the company has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for foreign exchange derivatives.

3.24 Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Broadland Properties Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

3.25 Debtors

Short term debtors are measured at transaction price, less any impairment.

3.26 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. Bank overdrafts, when applicable, are shown within current liabilities.

3.27 Creditors

Short term creditors are measured at the transaction price.

4. Turnover

Segmental analysis:

The group operates in the following geographical segments:

	2021 £'000	2020 £'000
United Kingdom		
Property	16,708	14,866
Leisure	8,805	5,500
Renewables	4,691	5,792
Other	2,601	1,759
	<u>32,805</u>	<u>27,917</u>
Poland		
Farming	23,307	17,331
	<u>56,112</u>	<u>45,248</u>

The group's revenue is analysed as follows:

Sale of goods	32,103	26,386
Rendering of services	24,009	18,862
	<u>56,112</u>	<u>45,248</u>

Broadland Properties Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

5. Other operating income/(expenses)

	2021 £000	2020 £000
Government grant income	466	598
Investment fair value adjustment	13,556	9,800
Gain/(loss) on disposal of property, plant and equipment	(127)	(163)
Gain on disposal of investment property	5,062	45
	<u>18,957</u>	<u>10,280</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2021 £000	2020 £000
Depreciation of tangible assets	3,561	3,448
Operating lease rentals	758	760
Foreign exchange differences	138	(21)
	<u></u>	<u></u>

7. Auditor's remuneration

	2021 £000	2020 £000
Fees payable for the audit of the financial statements	<u>70</u>	<u>69</u>
Fees payable to the company's auditor and its associates for other services:		
Audit-related assurance services	<u>81</u>	<u>82</u>

8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2021 No.	2020 No.
Administrative staff	69	66
Property	5	5
Farming & maintenance	135	159
Leisure	188	188
	<u>397</u>	<u>418</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021 £000	2020 £000
Wages and salaries	8,802	8,448
Social security costs	1,139	1,076
Other pension costs	265	268
	<u>10,206</u>	<u>9,792</u>

Broadland Properties Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

9. Directors' remuneration

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

	2021 £000	2020 £000
Remuneration	<u>1,635</u>	<u>1,356</u>

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

	2021 No.	2020 No.
Defined contribution plans	<u>3</u>	<u>3</u>

Remuneration of the highest paid director in respect of qualifying services:

	2021 £000	2020 £000
Aggregate remuneration	<u>613</u>	<u>439</u>

10. Income from other fixed asset investments

	2021 £000	2020 £000
Income from other fixed asset investments	<u>—</u>	<u>32</u>

11. Other interest receivable and similar income

	2021 £000	2020 £000
Interest on cash and cash equivalents	—	19
Other interest	<u>117</u>	<u>73</u>
	<u>117</u>	<u>92</u>

12. Amounts written back to/written off investments

	2021 £000	2020 £000
Amount provided/ (released) against investments	17	(105)
Amount written back/ (written off) loans	<u>291</u>	<u>(838)</u>
	<u>308</u>	<u>(943)</u>

13. Interest payable and similar expenses

	2021 £000	2020 £000
Interest on banks loans and overdrafts	3	130
Interest on obligations under finance leases and hire purchase contracts	10	7
Other interest payable and similar charges	<u>27</u>	<u>32</u>
	<u>40</u>	<u>169</u>

Broadland Properties Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

14. Tax on profit

Major components of tax expense

	2021 £000	2020 £000
Current tax:		
UK current tax income	3,919	1,507
Adjustments in respect of prior periods	—	(2)
Total current tax	<u>3,919</u>	<u>1,505</u>
Deferred tax:		
Origination and reversal of timing differences	1,522	1,262
Impact of change in tax rate	3,870	967
Total deferred tax	<u>5,392</u>	<u>2,229</u>
Tax on profit	<u>9,311</u>	<u>3,734</u>

Tax recognised as other comprehensive income or equity

The aggregate current and deferred tax relating to items recognised as other comprehensive income or equity for the year was £663,851 (2020: £Nil).

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021 £000	2020 £000
Profit on ordinary activities before taxation	<u>35,986</u>	<u>16,828</u>
Profit on ordinary activities by rate of tax	6,837	3,197
Adjustment to tax charge in respect of prior periods	—	(2)
Difference in tax rates	3,870	967
Permanent timing differences	(713)	(368)
Foreign results not allowable/(taxable)	<u>(683)</u>	<u>(60)</u>
Tax on profit	<u>9,311</u>	<u>3,734</u>

In the Spring Budget 2021, the Government announced that from 1st April 2023 the corporation tax rate will increase to 25%. Accordingly, the deferred tax provision has been based on this rate.

15. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2021 £000	2020 £000
Dividends on equity shares	<u>432</u>	<u>432</u>

Broadland Properties Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2021

16. Intangible assets

Group	Intangible assets £000
Cost	
At 1 January 2021 and 31 December 2021	<u>55</u>
Amortisation	
At 1 January 2021 and 31 December 2021	<u>—</u>
Carrying amount	
At 1 January 2021 and 31 December 2021	<u>55</u>
At 31 December 2020	<u>55</u>
Company	
Cost	
At 1 January 2021 and 31 December 2021	<u>47</u>
Amortisation	
At 1 January 2021 and 31 December 2021	<u>—</u>
Carrying amount	
At 1 January 2021 and 31 December 2021	<u>47</u>
At 31 December 2020	<u>47</u>

17. Tangible assets

Group	Land and buildings £000	Assets in the course of construction £000	Plant and machinery £000	Fixtures and fittings £000	Herd £000	Total £000
Cost						
At 1 Jan 2021	101,549	2,813	48,827	11,321	1,176	165,686
Additions	1,037	95	2,158	937	430	4,657
Disposals	(57)	—	(636)	(151)	(385)	(1,229)
Exchange loss	(4,599)	(29)	(1,125)	(57)	(76)	(5,886)
At 31 Dec 2021	<u>97,930</u>	<u>2,879</u>	<u>49,224</u>	<u>12,050</u>	<u>1,145</u>	<u>163,228</u>
Depreciation						
At 1 Jan 2021	5,563	118	22,895	5,458	484	34,518
Charge for the year	522	30	2,372	395	242	3,561
Disposals	(41)	—	(587)	(151)	(182)	(961)
Exchange loss	(242)	(8)	(834)	(49)	(31)	(1,164)
At 31 Dec 2021	<u>5,802</u>	<u>140</u>	<u>23,846</u>	<u>5,653</u>	<u>513</u>	<u>35,954</u>
Carrying amount						
At 31 Dec 2021	<u>92,128</u>	<u>2,739</u>	<u>25,378</u>	<u>6,397</u>	<u>632</u>	<u>127,274</u>
At 31 Dec 2020	<u>95,986</u>	<u>2,695</u>	<u>25,932</u>	<u>5,863</u>	<u>692</u>	<u>131,168</u>

Broadland Properties Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2021

17. Tangible assets (continued)

Company	Land and buildings £000	Leasehold property £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost						
At 1 Jan 2021	1,256	3,575	2,409	945	610	8,795
Additions	83	676	65	109	53	986
Disposals	—	(25)	(13)	(16)	(20)	(74)
At 31 Dec 2021	1,339	4,226	2,461	1,038	643	9,707
Depreciation						
At 1 Jan 2021	131	1,209	1,540	592	309	3,781
Charge for the year	28	90	100	23	83	324
Disposals	—	(16)	(12)	(16)	(13)	(57)
At 31 Dec 2021	159	1,283	1,628	599	379	4,048
Carrying amount						
At 31 Dec 2021	1,180	2,943	833	439	264	5,659
At 31 Dec 2020	1,125	2,366	869	353	301	5,014

The net book value of land and buildings comprises:

	2021 £000	2020 £000
Group		
Freehold	89,147	93,580
Long leases (over 50 years unexpired)	97	98
Short leases	2,884	2,308
	92,128	95,986
Company		
Freehold	1,180	1,125
Long leases (over 50 years unexpired)	97	98
Short leases	2,846	2,268
	4,123	3,491

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

Group	Plant and machinery £000
At 31 December 2021	506
At 31 December 2020	744

Broadland Properties Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2021

17. Tangible assets (continued)

The company has no tangible assets held under finance lease or hire purchase agreements.

18. Investments

Group	Other investments £000	Investment property £000	Total £000
Cost or valuation			
At 1 January 2021	2,217	159,982	162,199
Additions	261	14,699	14,960
Disposals	(302)	(19,395)	(19,697)
Revaluations	–	13,557	13,557
Exchange loss	(20)		(20)
At 31 December 2021	2,156	168,843	170,999
Impairment			
At 1 January 2021	801	–	801
Impairment losses	211	–	211
Reversal of impairment losses	(118)	–	(118)
At 31 December 2021	894	–	894
Carrying amount			
At 31 December 2021	1,262	168,843	170,105
At 31 December 2020	1,416	159,982	161,398

Company	Shares in group undertakings £000	Investment property £000	Other investments £000	Total £000
Cost or valuation				
At 1 January 2021	15,052	44,220	1,038	60,310
Additions	–	937	–	937
Disposals	–	(112)	(300)	(412)
Revaluations	–	5,624	–	5,624
At 31 December 2021	15,052	50,669	738	66,459
Impairment				
At 1 January 2021	1,628	–	218	1,846
Impairment losses	–	–	100	100
Reversal of impairment losses	–	–	(118)	(118)
At 31 December 2021	1,628	–	200	1,828
Carrying amount				
At 31 December 2021	13,424	50,669	538	64,631
At 31 December 2020	13,424	44,220	820	58,464

Broadland Properties Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

18. Investments *(continued)*

	£000
Cost or Valuation	
Group	
Cost	2,035
Directors valuation - 2021	<u>168,964</u>
	<u>170,999</u>
 Company	
Cost	15,668
Directors valuation - 2021	<u>50,791</u>
	<u>66,459</u>

The fair value of the group's investment property at 31 December 2021 has been arrived at on the basis of a valuation by Mr R. Guthrie (MRICS) and Mr J.M. Hill (MRICS), directors of the company, by reference to market evidence.

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 *(continued)*

Year ended 31 December 2021

18. Investments *(continued)*

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%
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 (Kiachnish) Limited	England	Ordinary	100%
Broadland Energy (Donich) Limited	England	Ordinary A	80%
Broadland Energy (Laudale) Limited	England	Ordinary	100%
Broadland Energy (Moy) Limited	England	Ordinary	100%
Black Isle Homes Limited	Scotland	Ordinary	100%
Broadland Properties Trading Limited	England	Ordinary	100%
Corlands Minerals Limited	England	Ordinary	100%
Sub-subsidiaries			
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%
Zegart Farms Sp.z.o.o.	Poland	Ordinary	100%
Polhoz Sp.z.o.o.	Poland	Ordinary	100%
Liberum Sp.z.o.o.	Poland	Ordinary	100%
Inwestycje Ziemskie 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%
Queensway Park Data Centres Limited	Scotland	Ordinary A	70%

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 (continued)

Year ended 31 December 2021

19. Stocks

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Raw materials and consumables	937	937	—	—
Work in progress	6,405	8,895	659	589
Finished goods and goods for resale	10,631	10,661	468	472
	<u>17,973</u>	<u>20,493</u>	<u>1,127</u>	<u>1,061</u>

20. Debtors

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade debtors	4,963	3,172	348	353
Amounts owed by group undertakings	—	—	103,220	101,674
Prepayments and accrued income	2,965	3,392	270	173
Other debtors	6,800	6,727	5,800	5,903
	<u>14,728</u>	<u>13,291</u>	<u>109,638</u>	<u>108,103</u>

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

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Amounts owed by group undertakings	—	—	1,861	2,015
Prepayments and accrued income	525	512	—	—
Other debtors	347	375	347	375
	<u>872</u>	<u>887</u>	<u>2,208</u>	<u>2,390</u>

21. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Bank loans and overdrafts	—	809	—	—
Trade creditors	1,308	984	291	197
Amounts owed to group undertakings	—	—	366	343
Accruals and deferred income	3,676	3,492	403	296
Corporation tax	2,464	839	—	—
Social security and other taxes	1,266	865	583	455
Obligations under finance leases and hire purchase contracts	266	362	—	—
Other creditors	2,043	1,375	254	305
	<u>11,023</u>	<u>8,726</u>	<u>1,897</u>	<u>1,596</u>

Broadland Properties Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

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

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Obligations under finance leases and hire purchase contracts	151	435	-	-
Other creditors	524	565	-	-
	<u>675</u>	<u>1,000</u>	<u>-</u>	<u>-</u>

Secured borrowings totalling £504,000 (2020 - £1,350,000), 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 36. 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.

Included within creditors: amounts falling due after more than one year is an amount of £329,000 (2020: £380,000) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

23. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Not later than 1 year	266	362	-	-
Later than 1 year and not later than 5 years	151	435	-	-
	<u>417</u>	<u>797</u>	<u>-</u>	<u>-</u>

24. Provisions

Group		Deferred tax (note 25) £000
At 1 January 2021		13,053
Additions		6,078
At 31 December 2021		<u>19,131</u>
Company		Deferred tax (note 25) £000
At 1 January 2021		2,237
Additions		1,330
At 31 December 2021		<u>3,567</u>

Broadland Properties Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2021

25. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Included in provisions (note 24)	<u>19,131</u>	<u>13,053</u>	<u>3,567</u>	<u>2,237</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Accelerated capital allowances	2,337	1,652	49	40
Revaluation of tangible assets	3,319	2,482	85	68
Fair value adjustment of investment property	13,784	9,316	3,425	2,330
Other revaluations	8	6	8	6
Unused tax losses	(317)	(383)	—	(207)
Provisions	—	(20)	—	—
	<u>19,131</u>	<u>13,053</u>	<u>3,567</u>	<u>2,237</u>

26. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £264,823 (2020: £268,377).

Pension contributions of £Nil (2020: £Nil) were outstanding at the year end.

27. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Recognised in other operating income:				
Government grants recognised directly in income	<u>466</u>	<u>598</u>	<u>129</u>	<u>84</u>

28. Financial instruments

The carrying amount for each category of financial instrument is as follows:

Financial assets measured at fair value through profit or loss

	Group	
	2021	2020
	£000	£000
Financial assets measured at fair value through profit or loss	<u>31,880</u>	<u>8,103</u>

Broadland Properties Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

29. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£000	No.	£000
Ordinary shares of £1 each	<u>691,708</u>	<u>692</u>	<u>691,708</u>	<u>692</u>

Shares carry equal voting rights and each share also ranks equally with regard to dividend payments or any other distribution including a distribution arising from the winding up of the company.

30. Reserves

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income, net of deferred tax provided.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

31. Cash generated from operations

	2021 £000	2020 £000
Profit for the financial year	26,675	13,094
<i>Adjustments for:</i>		
Depreciation of tangible assets	3,561	3,449
Amounts written back to/written off investments	384	(893)
Fair value adjustment of investment property	(13,556)	(9,800)
Income from other fixed asset investments	—	(32)
Other interest receivable and similar income	(117)	(92)
Interest payable and similar expenses	40	169
Loss on disposal of tangible assets	127	163
Gains on disposal of investment property	(5,062)	(45)
Tax on profit	9,311	3,734
(Profit)/ loss on foreign currency translation	138	(20)
<i>Changes in:</i>		
Stocks	1,450	326
Trade and other debtors	(1,852)	184
Trade and other creditors	1,264	218
Current asset investments	—	4,655
	<u>22,363</u>	<u>15,110</u>

Broadland Properties Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2021

32. Analysis of changes in net debt

	At 1 Jan 2021 £000	Cash flows £000	Other changes £000	At 31 Dec 2021 £000
Cash at bank and in hand	7,982	24,076	(299)	31,759
Debt due within one year	(1,208)	879	24	(305)
Debt due after one year	(940)	298	26	(616)
	<u>5,834</u>	<u>25,253</u>	<u>(249)</u>	<u>30,838</u>

Net debt comprises obligations under finance leases and hire purchase contracts together with bank loans and loans included in other creditors.

Other non-cash movements comprises exchange differences of £249,000.

33. Reconciliation of net cash flow to movement in net debt

	2021 £000	2020 £000
Increase/(decrease) in cash and cash equivalents in the year	24,076	(5,920)
Repayments of borrowings	842	95
New borrowings	—	(750)
Payments of finance lease liabilities	335	287
Other non-cash movements	(249)	(915)
Change in net funds	25,004	(7,203)
Net funds at 1 January 2021	5,834	13,037
Net funds at 31 December 2021	<u>30,838</u>	<u>5,834</u>

34. Operating leases

As lessee

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

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Not later than 1 year	407	379	18	18
Later than 1 year and not later than 5 years	1,146	1,391	31	48
Later than 5 years	893	961	—	—
	<u>2,446</u>	<u>2,731</u>	<u>49</u>	<u>66</u>

Certain group companies also have contingent rentals payable which are not included above and are based on the level of hydro power supplied.

Broadland Properties Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

34. Operating leases *(continued)*

As lessor

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

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Not later than 1 year	8,362	9,050	1,023	818
Later than 1 year and not later than 5 years	19,173	18,571	2,710	1,953
Later than 5 years	13,207	13,113	2,811	2,374
	<u>40,742</u>	<u>40,734</u>	<u>6,544</u>	<u>5,145</u>

35. Other financial commitments

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Tangible assets	<u>146</u>	<u>379</u>	<u>146</u>	<u>379</u>

36. 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.

37. Events after the end of the reporting period

On 27th May 2022 the company paid an interim dividend of 31.25 pence per share.

Broadland Properties Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

38. Related party transactions

Group

Transactions with entities which are controlled by key management personnel are as follows:

	2021	2020
Unsecured loans, repayable on demand, net of provisions made	£	£
As at 1 January 2021	3,457,530	2,868,544
Amounts advanced	10,634	17,962
Amounts repaid	—	(250,000)
Rents payable	(88,728)	(122,331)
Rents paid	84,719	105,355
Provisions (made)/ released	(291,000)	838,000
As at 31 December 2021	<u>3,173,155</u>	<u>3,457,530</u>

The related party landlord reserves certain rights on land rented for agricultural and sporting purposes.

	2021	2020
Investment in non voting B £1 ordinary shares, net of provisions made	£	£
As at 1 January 2021	100,000	—
Provisions (made)/ released	(100,000)	100,000
As at 31 December 2021	<u>—</u>	<u>100,000</u>

Rents payable to a post employment benefit plan for the benefit of key management personnel

	2021	2020
	£	£
Rent payable on an arms length basis	108,400	108,400

Transactions with key management personnel:

During the year dividends of £402,725 (2020 - £402,725) were paid into trusts in which some key management personnel have a life interest and dividends of £29,593 (2020 - £29,593) were paid to a charitable trust of which the trustees are also key management personnel of this company.

Charitable donations of £26,000 (2020 - £22,000) were made during the year to a charitable trust of which the trustees are key management personnel of the company.

During the year close family members of key management personnel received salary and pension packages from the company at a total cost of £299,505 (2020 - £275,525).

Broadland Properties Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

Included within other creditors are loans with key management personnel to the company on which no interest has been paid or received.

	2021	2020
	£	£
Amounts owed to key management personnel	250,264	219,276
The maximum overdrawn amount of the loans with key management personnel during the period was:		
R. Guthrie	–	862
P.J. Guthrie	–	4,303
J. Guthrie	67,359	143