

**CHARLES WHARTON LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**CHARLES WHARTON LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Mrs P A Wharton E C Wharton Mrs V K Wharton
<b>Company secretary</b>	Mrs P A Wharton
<b>Registered number</b>	00541042
<b>Registered office</b>	Winsford Hall Stokesby Great Yarmouth Norfolk NR29 3DG
<b>Accountants</b>	MA Partners LLP Chartered Accountants 7 The Close Norwich Norfolk NR1 4DJ

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**CHARLES WHARTON LIMITED**

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**CHARLES WHARTON LIMITED**

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**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED  
STATUTORY FINANCIAL STATEMENTS OF CHARLES WHARTON LIMITED  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Charles Wharton Limited for the year ended 30 September 2018 which comprise the Balance Sheet and the related notes from the Company's accounting records and from information and explanations you have given us.

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

This report is made solely to the Board of Directors of Charles Wharton Limited, as a body, in accordance with the terms of our engagement letter dated 19 February 2018. Our work has been undertaken solely to prepare for your approval the financial statements of Charles Wharton Limited and state those matters that we have agreed to state to the Board of Directors of Charles Wharton Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Charles Wharton Limited and its Board of Directors, as a body, for our work or for this report.

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

We have not been instructed to carry out an audit or review of the financial statements of Charles Wharton Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

**MA Partners LLP**

Chartered Accountants

7 The Close  
Norwich  
Norfolk  
NR1 4DJ

5 April 2019

**CHARLES WHARTON LIMITED**  
**REGISTERED NUMBER: 00541042**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2018**

	Note	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Intangible assets	4		24,785		33,046
Tangible assets	5		10,456,260		9,251,668
Investment property	6		2,287,000		2,287,000
			<u>12,768,045</u>		<u>11,571,714</u>
<b>Current assets</b>					
Stocks	7	1,296,662		1,113,700	
Debtors: amounts falling due within one year	8	689,517		808,833	
Cash at bank and in hand		839,245		310,256	
		<u>2,825,424</u>		<u>2,232,789</u>	
Creditors: amounts falling due within one year	9	(986,892)		(894,560)	
<b>Net current assets</b>			<u>1,838,532</u>		<u>1,338,229</u>
<b>Total assets less current liabilities</b>			<u>14,606,577</u>		<u>12,909,943</u>
Creditors: amounts falling due after more than one year	10		(3,490,219)		(2,488,410)
<b>Provisions for liabilities</b>					
Deferred tax	11		(131,983)		(161,749)
<b>Net assets</b>			<u>£ 10,984,375</u>		<u>£ 10,259,784</u>
<b>Capital and reserves</b>					
Called up share capital			67,000		67,000
Other reserves	12		818,643		815,946
Profit and loss account	12		10,098,732		9,376,838
			<u>£ 10,984,375</u>		<u>£ 10,259,784</u>

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**CHARLES WHARTON LIMITED**  
**REGISTERED NUMBER: 00541042**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 30 SEPTEMBER 2018**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 February 2019.

**E C Wharton**  
Director

The notes on pages 4 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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**1. General information**

Charles Wharton Limited is a private company, limited by shares, incorporated and domiciled in England and Wales. The registered office is Winsford Hall, Stokesby, Great Yarmouth, Norfolk, NR29 3DG.

The Company's principal activity is that of arable farming.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

**2.2 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**2.3 Revenue recognition**

Turnover comprises revenue recognised by the Company in respect of crops sold, work done, rents and arable subsidies receivable, exclusive of Value Added Tax.

Revenue is recognised in the following manner:

- Work done - on performance of the service for the customer;
- Crops sold - on physical delivery to the customer;
- Rent received - amounts receivable in the year;
- Subsidy income - in the year when the qualifying conditions entitling payment are met.

**2.4 Interest income**

Interest income is recognised in the Profit and Loss Account using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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**2. Accounting policies (continued)**

**2.5 Finance costs**

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.6 Borrowing costs**

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

**2.7 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.8 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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**2. Accounting policies (continued)**

**2.9 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Sugar beet quota	-	4	years
Basic payment entitlements	-	5	years

**2.10 Tangible fixed assets**

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using both the straight-line and reducing balance methods.

Depreciation is provided on the following basis:

Farmhouses and cottages	- straight line over 50 years
Agricultural buildings	- straight line over 20 years
Reservoir	- straight line over 25 years
Plant and equipment	- 10%, 15% and 20% reducing balance
Office equipment	- straight line over 3 and 6 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

**2.11 Investment property**

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Profit and Loss Account.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**2. Accounting policies (continued)**

**2.12 Stocks**

Stocks and closing valuation for cultivations are valued at the lower of cost and net realisable value and have been valued by a professional valuer in accordance with the Royal Institution of Chartered Surveyors' and Central Association of Agricultural Valuers' Guidance Notes.

Net realisable value represents estimated selling price for produce in store with values reduced in accordance with the guidance within H M Revenue & Customs help sheet HS232 and BIM55410.

Consumable stocks are valued at cost.

**2.13 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.14 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.

**2.15 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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**2. Accounting policies (continued)**

**2.16 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to 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 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 debtors and creditors, 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 the 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.

Derivatives, including interest rate swaps and 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 interest rate and foreign exchange derivatives.

**2.17 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**3. Employees**

The average monthly number of employees, including directors, during the year was 6 (2017 - 7).

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CHARLES WHARTON LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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4. Intangible assets

	Sugar beet quota £	Basic payment entitlements £	Total £
<b>Cost</b>			
At 1 October 2017	62,395	41,307	103,702
At 30 September 2018	62,395	41,307	103,702
<b>Amortisation</b>			
At 1 October 2017	62,395	8,261	70,656
Charge for the year	-	8,261	8,261
At 30 September 2018	62,395	16,522	78,917
<b>Net book value</b>			
At 30 September 2018	£ -	£ 24,785	£ 24,785
<b>At 30 September 2017</b>	£ -	£ 33,046	£ 33,046

CHARLES WHARTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

5. Tangible fixed assets

	Land £	Agricultural buildings & farmhouses £	Plant & machinery £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 October 2017	6,979,592	2,619,572	1,635,532	5,702	11,240,398
Additions	1,407,290	-	8,000	367	1,415,657
Disposals	(5,402)	-	-	-	(5,402)
At 30 September 2018	8,381,480	2,619,572	1,643,532	6,069	12,650,653
<b>Depreciation</b>					
At 1 October 2017	-	927,037	1,058,039	3,653	1,988,729
Charge for the year on owned assets	-	98,699	106,724	162	205,585
Charge for the year on financed assets	-	-	-	79	79
At 30 September 2018	-	1,025,736	1,164,763	3,894	2,194,393
<b>Net book value</b>					
At 30 September 2018	£ 8,381,480	£ 1,593,836	£ 478,769	£ 2,175	£ 10,456,260
<b>At 30 September 2017</b>	£ 6,979,592	£ 1,692,535	£ 577,493	£ 2,049	£ 9,251,669

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**CHARLES WHARTON LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**6. Investment property**

**Freehold  
investment  
property  
£**

**Valuation**

At 1 October 2017 and 30 September 2018

**2,287,000**

The 2018 valuations were made by the directors.

**7. Stocks**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cultivations	<b>210,553</b>	192,624
Other stocks	<b>1,500</b>	1,500
Crops in store	<b>967,369</b>	791,923
Consumables	<b>117,240</b>	127,653
	<u><b>£ 1,296,662</b></u>	<u><b>£ 1,113,700</b></u>

**8. Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>299,697</b>	430,373
Other debtors	<b>61,355</b>	70,592
Prepayments and accrued income	<b>328,465</b>	307,868
	<u><b>£ 689,517</b></u>	<u><b>£ 808,833</b></u>

CHARLES WHARTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	476,682	395,176
Trade creditors	165,513	212,813
Corporation tax	199,613	119,503
Other taxation and social security	868	864
Obligations under finance lease and hire purchase contracts	840	840
Other creditors	124,076	143,672
Accruals and deferred income	19,300	21,692
	<u>£ 986,892</u>	<u>£ 894,560</u>

10. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Bank loans	3,393,861	2,386,195
Net obligations under finance leases and hire purchase contracts	1,050	1,890
Accruals and deferred income	95,308	100,325
	<u>£ 3,490,219</u>	<u>£ 2,488,410</u>

**Secured loans**

Bank loans of **£3,870,542** (2017 - £2,781,371) are secured on certain farm land owned by the Company.

Included in the above are three interest rate swap contracts, upon which the liabilities outstanding at the year end amounted to **£49,687** (2017 - £77,267). The termination date of these agreements are May 2019, April 2022 and December 2024.

Net obligations under finance leases and hire purchase contracts are secured on the assets financed

**Creditors include amounts not wholly repayable within 5 years as follows:**

	2018 £	2017 £
Repayable by instalments	1,770,994	1,085,387
Released to profit and loss account in instalments	75,243	80,260
	<u>£ 1,846,237</u>	<u>£ 1,165,647</u>

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**CHARLES WHARTON LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**11. Deferred taxation**

	2018 £	2017 £
At beginning of year	(161,749)	(192,632)
Charged to profit or loss	29,766	30,883
<b>At end of year</b>	<b>£ (131,983)</b>	<b>£ (161,749)</b>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	40,736	67,805
Revaluation of investment properties	91,247	93,944
	<b>£ 131,983</b>	<b>£ 161,749</b>

**12. Reserves**

**Other reserves**

The fair value reserve represents the cumulative value of revaluations of the Company's investment properties to fair value, net of deferred tax. The amounts debited or credited to this reserve are transfers from the profit and loss account. Deferred tax is provided for on these fair value adjustments at the standard rate of corporation tax applicable in the UK.

**Profit & loss account**

The profit and loss account includes all current and prior period retained profits and losses.

**13. Related party transactions**

At the year end the Company owed **£30,601** (2017 - £46,932) to the directors. These balances are interest free and repayable on demand and are included in other creditors due within one year in note 9 to the financial statements.



This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.