

CHARLES WHARTON LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

CHARLES WHARTON LIMITED

COMPANY INFORMATION

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

CHARLES WHARTON LIMITED

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CHARLES WHARTON LIMITED

**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 2020**

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 2020 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

19 March 2021

CHARLES WHARTON LIMITED
REGISTERED NUMBER: 00541042

BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	4		8,264		16,524
Tangible assets	5		11,540,513		11,635,869
Investment property	6		2,348,500		2,287,000
			<u>13,897,277</u>		<u>13,939,393</u>
Current assets					
Stocks		1,253,304		1,153,921	
Debtors: amounts falling due within one year	7	713,157		874,222	
Cash at bank and in hand		2,031,144		1,468,050	
		<u>3,997,605</u>		<u>3,496,193</u>	
Creditors: amounts falling due within one year	8	(1,099,838)		(1,325,000)	
Net current assets			<u>2,897,767</u>		<u>2,171,193</u>
Total assets less current liabilities			<u>16,795,044</u>		<u>16,110,586</u>
Creditors: amounts falling due after more than one year	9	(3,887,934)		(4,430,290)	
Provisions for liabilities					
Deferred tax	10	(276,019)		(212,762)	
Net assets			<u><u>12,631,091</u></u>		<u><u>11,467,534</u></u>
Capital and reserves					
Called up share capital		67,000		67,000	
Fair value reserve	11	857,723		818,643	
Profit and loss account	11	11,706,368		10,581,891	
			<u><u>12,631,091</u></u>		<u><u>11,467,534</u></u>

CHARLES WHARTON LIMITED
REGISTERED NUMBER: 00541042

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2020

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 the 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 25 February 2021.

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 2020**

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 profit or loss using the effective interest method.

2.5 Finance costs

Finance costs are charged to profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. Accounting policies (continued)

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss 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 profit or loss 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 profit or loss 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 2020

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 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 profit or loss.

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 profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

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 2020

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 and investments in ordinary shares.

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.

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 5 (2019 - 5).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

4. Intangible assets

	Sugar beet quota £	Basic payment entitlements £	Total £
Cost			
At 1 October 2019	62,395	41,307	103,702
At 30 September 2020	62,395	41,307	103,702
Amortisation			
At 1 October 2019	62,395	24,783	87,178
Charge for the year on owned assets	-	8,261	8,261
At 30 September 2020	62,395	33,044	95,439
Net book value			
At 30 September 2020	-	8,263	8,263
At 30 September 2019	-	16,524	16,524

CHARLES WHARTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

5. Tangible fixed assets

	Land £	Agricultural buildings & farmhouses £	Plant & machinery £	Office equipment £	Total £
Cost or valuation					
At 1 October 2019	8,380,296	3,458,689	2,174,138	6,069	14,019,192
Additions	-	192,745	332,890	-	525,635
Disposals	(253,878)	-	-	-	(253,878)
At 30 September 2020	8,126,418	3,651,434	2,507,028	6,069	14,290,949
Depreciation					
At 1 October 2019	-	1,124,435	1,253,957	4,931	2,383,323
Charge for the year on owned assets	-	140,466	225,650	122	366,238
Charge for the year on financed assets	-	-	-	875	875
At 30 September 2020	-	1,264,901	1,479,607	5,928	2,750,436
Net book value					
At 30 September 2020	8,126,418	2,386,533	1,027,421	141	11,540,513
At 30 September 2019	8,380,296	2,334,254	920,181	1,138	11,635,869

CHARLES WHARTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

6. Investment property

	Freehold investment property £
Valuation	
At 1 October 2019	2,287,000
Additions at cost	61,500
	<u>2,348,500</u>
At 30 September 2020	<u>2,348,500</u>

The 2020 valuations were made by the directors.

7. Debtors

	2020 £	2019 £
Trade debtors	356,853	453,431
Other debtors	52,271	129,331
Prepayments and accrued income	304,033	291,460
	<u>713,157</u>	<u>874,222</u>

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	537,153	527,695
Trade creditors	228,318	567,305
Corporation tax	136,147	31,469
Other taxation and social security	1,415	833
Obligations under finance lease and hire purchase contracts	210	840
Other creditors	180,228	180,113
Accruals and deferred income	16,367	16,745
	<u>1,099,838</u>	<u>1,325,000</u>

CHARLES WHARTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

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

	2020 £	2019 £
Bank loans	3,802,658	4,339,788
Net obligations under finance leases and hire purchase contracts	-	210
Accruals and deferred income	85,276	90,292
	<u>3,887,934</u>	<u>4,430,290</u>

Secured loans

Bank loans of **£4,339,811** (2019 - £4,867,484) are secured on certain farm land owned by the Company.

Included in the above are two interest rate swap contracts, upon which the liabilities outstanding at the year end amounted to **£24,900** (2019 - £35,900). The termination date of these agreements are 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:

	2020 £	2019 £
Repayable by instalments	1,781,153	2,296,704
Released to profit and loss account in instalments	65,211	70,227
	<u>1,846,364</u>	<u>2,366,931</u>

10. Deferred taxation

	2020 £	2019 £
At beginning of year	212,762	131,983
Charged to profit or loss	63,257	80,779
At end of year	<u>276,019</u>	<u>212,762</u>

CHARLES WHARTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

10. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	162,353	121,515
Revaluation of investment properties	113,666	91,247
	<u>276,019</u>	<u>212,762</u>

11. 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.

12. Capital commitments

At 30 September 2020 the Company had capital commitments as follows:

	2020 £	2019 £
Contracted for but not provided in these financial statements	-	272,000
	<u>-</u>	<u>272,000</u>

13. Related party transactions

At the year end the Company owed **£101,537** (2019 - £31,124) to the directors. These balances are interest free and repayable on demand and are included in other creditors due within one year in note 8 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.