

Financial Statements

Springfield Farm Limited

For the year ended 31 March 2017

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COMPANIES HOUSE

Registered number: 02110138

Statement of financial position

As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	9,364,251	9,683,501
Investments	6	50	50
		<u>9,364,301</u>	<u>9,683,551</u>
Current assets			
Debtors: amounts falling due within one year	7	635,306	899,806
Cash at bank and in hand	8	913,725	421,728
		<u>1,549,031</u>	<u>1,321,534</u>
Creditors: amounts falling due within one year	9	(819,845)	(1,285,801)
Net current assets		<u>729,186</u>	<u>35,733</u>
Total assets less current liabilities		<u>10,093,487</u>	<u>9,719,284</u>
Creditors: amounts falling due after more than one year	10	(2,983,816)	(2,988,564)
Provisions for liabilities			
Deferred tax	13	(1,022,279)	(1,033,885)
Other provisions	14	(127,500)	(127,500)
		<u>(1,149,779)</u>	<u>(1,161,385)</u>
Net assets		<u><u>5,959,892</u></u>	<u><u>5,569,335</u></u>

Statement of financial position (continued)

As at 31 March 2017

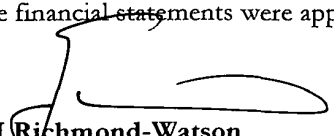
	Note	2017 £	2016 £
Capital and reserves			
Called up share capital		100	100
Profit and loss account		5,959,792	5,569,235
		<u>5,959,892</u>	<u>5,569,335</u>

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 statement of comprehensive income 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 by:


J H Richmond-Watson
Director

Date:

19/12/17

The notes on pages 3 to 14 form part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2017

1. General information

Springfield Farm Limited is a private company limited by shares and registered in England and Wales (No. 02110138). Its registered office is The Estate Office, Wakefield Lodge Estate, Potterspury, Northamptonshire, NN12 7QX.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

Information on the impact of first-time adoption of FRS 102 is given in note 19.

The financial statements are presented in £ sterling.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The directors monitor the company's performance and its cash requirements on a regular basis. On this basis, the directors are of the opinion that the company has adequate facilities available to meet its liabilities as and when they fall due.

The directors have looked ahead for a period in excess of 12 months from the balance sheet date in forming their assessment that the company is a going concern.

Notes to the financial statements

For the year ended 31 March 2017

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Notes to the financial statements

For the year ended 31 March 2017

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- In line with quarry extraction
Plant & machinery	- 10% - 25% straight line
Motor vehicles	- 25% straight line

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 Statement of comprehensive income.

Freehold land utilised for the extraction of aggregates is depreciated on a straight line basis per tonne of material extracted.

2.5 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.6 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.

2.7 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.

2.8 Financial instruments

The Company only enters into basic financial instruments 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, loans to related parties and investments in non-puttable 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

Notes to the financial statements

For the year ended 31 March 2017

2. Accounting policies (continued)

2.8 Financial instruments (continued)

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 the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

2.9 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.

2.10 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

2.11 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Notes to the financial statements

For the year ended 31 March 2017

2. Accounting policies (continued)

2.12 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 Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.14 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

Notes to the financial statements

For the year ended 31 March 2017

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 reporting 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 Statement of financial position 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 reporting date.

3. Judgments in applying accounting policies 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 for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Depreciation of quarried land

The depreciation of quarried land is calculated on a straight line basis per tonne of aggregates extracted. Management are required to estimate both the residual value and the remaining aggregate reserves in order to determine the depreciable amount and depreciation charge for the year. The carrying value of the asset at the reporting date was £7,153,888.

Contamination provision

The provision represents the Directors' best estimate of the anticipated future costs to appropriately remove and deal with this contamination; although this is inherently a liability of uncertain timing and amount. The amount of the provision at the reporting date was £127,500.

4. Employees

The average monthly number of employees, including directors, during the year was 15 (2016 - 14).

Notes to the financial statements

For the year ended 31 March 2017

5. Tangible fixed assets

	Freehold land £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2016	11,552,074	2,916,026	38,891	14,506,991
Additions	-	219,338	-	219,338
Disposals	-	(394,983)	-	(394,983)
At 31 March 2017	<u>11,552,074</u>	<u>2,740,381</u>	<u>38,891</u>	<u>14,331,346</u>
Depreciation				
At 1 April 2016	2,993,918	1,796,138	33,434	4,823,490
Charge for the year on owned assets	307,597	135,397	4,366	447,360
Charge for the year on financed assets	-	30,478	-	30,478
Disposals	-	(334,233)	-	(334,233)
At 31 March 2017	<u>3,301,515</u>	<u>1,627,780</u>	<u>37,800</u>	<u>4,967,095</u>
Net book value				
At 31 March 2017	<u>8,250,559</u>	<u>1,112,601</u>	<u>1,091</u>	<u>9,364,251</u>
At 31 March 2016	<u>8,558,156</u>	<u>1,119,888</u>	<u>5,457</u>	<u>9,683,501</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Plant and machinery	<u>138,703</u>	<u>123,600</u>

Notes to the financial statements

For the year ended 31 March 2017

6. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 April 2016	50
At 31 March 2017	50
At 31 March 2016	50

7. Debtors

	2017 £	2016 £
Trade debtors	394,052	585,102
Prepayments and accrued income	241,254	270,916
Tax recoverable	-	43,788
	<u>635,306</u>	<u>899,806</u>

8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>913,725</u>	<u>421,728</u>

Notes to the financial statements

For the year ended 31 March 2017

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	239,458	433,188
Trade creditors	235,081	305,118
Amounts owed to related parties	2,543	1,902
Corporation tax	13,626	-
Other taxation and social security	259,025	115,626
Obligations under finance leases and hire purchase contracts	36,567	24,267
Other creditors	876	310,041
Accruals and deferred income	32,669	95,659
	<u>819,845</u>	<u>1,285,801</u>

The bank loans are secured by a personal guarantee from J H Richmond-Watson, C W Richmond-Watson and S J Richmond-Watson of £500,000 together with an unlimited mortgage debenture over the assets of the company.

Net obligations under finance leases and hire purchase contracts are secured by a charge over the fixed assets to which they relate.

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

	2017 £	2016 £
Bank loans	2,941,155	2,988,564
Obligations under finance leases and hire purchase contracts	42,661	-
	<u>2,983,816</u>	<u>2,988,564</u>

Secured loans

The bank loans are secured by a personal guarantee from J H Richmond-Watson, C W Richmond-Watson and S J Richmond-Watson of £500,000 together with an unlimited mortgage debenture over the assets of the company.

Net obligations under finance leases and hire purchase contracts are secured by a charge over the fixed assets to which they relate.

Notes to the financial statements

For the year ended 31 March 2017

11. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	239,458	433,188
Amounts falling due 2-5 years		
Bank loans	2,941,155	2,988,564
	<u>3,180,613</u>	<u>3,421,752</u>

12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	36,567	24,267
Between 1-2 years	36,567	-
Between 2-5 years	6,094	-
	<u>79,228</u>	<u>24,267</u>

13. Deferred taxation

	2017 £	2016 £
At beginning of year	1,033,885	1,004,212
Charged to profit or loss	(11,606)	29,673
At end of year	<u>1,022,279</u>	<u>1,033,885</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	1,021,130	1,032,509
Tax losses carried forward	1,149	1,376
	<u>1,022,279</u>	<u>1,033,885</u>

Notes to the financial statements

For the year ended 31 March 2017

14. Provisions

	Contamination provision £
At 1 April 2016	127,500
At 31 March 2017	127,500

Contamination provision

During the year ended 31 March 2009, contamination was identified within one of the tipping pits. The provision represents the Directors' best estimate of the anticipated future costs to appropriately remove and deal with this contamination.

15. Reserves

Profit & loss account

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16. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £22,030 (2016: £26,046). Contributions totalling £876 (2016: £1,858) were payable to the fund at the reporting date and are included in creditors.

17. Related party transactions

Transactions during the year and balances at the year end with related parties were as follows:

	2017 £	2016 £
Entities over which individuals with significant influence or control over the entity have significant influence or control		
Amounts included in creditors	2,543	1,902
Total sales	165	53
Total purchases	322,781	311,349

Notes to the financial statements

For the year ended 31 March 2017

	2017	2016
	£	£
Transactions between the entity and its principal owners		
Amounts included in creditors	-	300,000
Dividends paid	-	900,000

The directors are the only employees who have the authority and responsibility for planning, directing and controlling the activities of the company and are therefore considered to be the key management personnel. Total remuneration in respect of these individuals during the year was £47,867 (2016: £119,535).

18. Controlling party

The directors consider that there is no ultimate controlling party.

19. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

20. Disclosure under Section 444(5B) of the Companies Act 2006

The Auditor's Report was unqualified. The name of the auditor and the individual who signed as senior statutory auditor are as follows:

Mitesh Tanna ACA (Senior statutory auditor)
For and on behalf of Grant Thornton UK LLP