

**REGISTERED NUMBER: 03383099 (England and Wales)**

**Lower Hope Fruit Limited**  
**Unaudited Financial Statements**  
**for the Year Ended 31 March 2018**

**Lower Hope Fruit Limited (Registered number: 03383099)**

**Contents of the Financial Statements  
for the Year Ended 31 March 2018**

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	<b>Page</b>
<b>Company Information</b>	1
<b>Chartered Accountants' Report</b>	2
<b>Balance Sheet</b>	3
<b>Notes to the Financial Statements</b>	5

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<b>DIRECTORS:</b>	WSC Richards OBE KSG DL Mrs SA Richards SD Wells
<b>SECRETARY:</b>	Tarrakarn Limited
<b>REGISTERED OFFICE:</b>	Lower Hope Ullingswick Hereford Herefordshire HR1 3JF
<b>REGISTERED NUMBER:</b>	03383099 (England and Wales)
<b>ACCOUNTANTS:</b>	The Hutchinson Partnership Limited trading as The Hutchinson Partnership Chartered Accountants The Bull Pen Amberley Court Sutton St Nicholas Hereford Herefordshire HR1 3BX
<b>BANKERS:</b>	HSBC Bank plc 1 Broad Street Leominster Herefordshire HR6 8BU
<b>SOLICITORS:</b>	TA Matthews Broadway House 32/35 Broad Street Hereford Herefordshire HR4 9AR

**Chartered Accountants' Report to the Board of Directors  
on the Unaudited Financial Statements of  
Lower Hope Fruit Limited**

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**The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Statement of Income and Retained Earnings and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Lower Hope Fruit Limited for the year ended 31 March 2018 which comprise the Statement of Income and Retained Earnings, 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 within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Lower Hope Fruit Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Lower Hope Fruit Limited and state those matters that we have agreed to state to the Board of Directors of Lower Hope Fruit Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lower Hope Fruit Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Lower Hope Fruit 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 loss of Lower Hope Fruit Limited. You consider that Lower Hope Fruit Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Lower Hope Fruit 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.

The Hutchinson Partnership Limited  
trading as The Hutchinson Partnership  
Chartered Accountants  
The Bull Pen  
Amberley Court  
Sutton St Nicholas  
Hereford  
Herefordshire  
HR1 3BX

12 July 2018

**Lower Hope Fruit Limited (Registered number: 03383099)**

**Balance Sheet  
31 March 2018**

	Notes	2018 £	£	2017 £	£
<b>FIXED ASSETS</b>					
Tangible assets	4		2,778,068		2,933,469
<b>CURRENT ASSETS</b>					
Stocks	5	416,205		442,817	
Debtors	6	234,377		274,042	
Cash at bank and in hand		<u>56,049</u>		<u>1,994</u>	
		706,631		718,853	
<b>CREDITORS</b>					
Amounts falling due within one year	7	<u>2,281,641</u>		<u>2,231,452</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(1,575,010)</u>		<u>(1,512,599)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,203,058		1,420,870
<b>CREDITORS</b>					
Amounts falling due after more than one year	8		<u>993,061</u>		<u>1,052,053</u>
<b>NET ASSETS</b>			<u>209,997</u>		<u>368,817</u>
<b>CAPITAL AND RESERVES</b>					
Allotted, issued and fully paid share capital			250,000		250,000
Retained earnings			<u>(40,003)</u>		<u>118,817</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>209,997</u>		<u>368,817</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

The notes form part of these financial statements

**Balance Sheet - continued**  
**31 March 2018**

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The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved for issue by the Board of Directors on 8 July 2018 and were signed on its behalf by:

WSC Richards OBE KSG DL - Director

**Notes to the Financial Statements  
for the Year Ended 31 March 2018**

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**1. STATUTORY INFORMATION**

Lower Hope Fruit Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Going concern**

The company continues to invest significantly in a programme of expansion of its fruit enterprise. Consequently borrowings are high and cash flow has been tight. The fruit plantations have reached a point of maturity where they have the potential to produce a sufficient quantity of fruit to generate a profit, subject to the impact of weather. In the coming years, as profitability improves, the company should be able to generate funds to repay debt. The company plans to continue meeting its working capital requirements through a combination of bank loan and overdraft facilities, loans from a director and loans from other entities controlled by the directors. The overdraft facility has been agreed until April 2019.

The directors have considered the financial requirements of the company and consider that it will be able to operate within its agreed financial facilities for the next 12 months. The directors therefore consider it appropriate to prepare accounts on the going concern basis.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- 5% on reducing balance and at varying rates on cost
Plant and machinery etc	- 25% on cost, at varying rates on cost and Straight line over 7 years

Freehold land is not depreciated.

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

The company has the following biological assets which are valued as follows:

Growing crop - valued at the cost of inputs and cultivations up to the period end.

Apple and cherry orchards - valued at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the estimated useful life of 10 years.

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2018**

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**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**3. EMPLOYEES**

The average number of employees during the year was 65 (2017 - 79) .



Notes to the Financial Statements - continued  
for the Year Ended 31 March 2018

4. **TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Tractors and vehicles £	Totals £
<b>COST</b>				
At 1 April 2017	2,048,451	3,627,073	388,354	6,063,878
Additions	8,775	147,085	40,750	196,610
Disposals	-	(23,295)	(32,548)	(55,843)
At 31 March 2018	<u>2,057,226</u>	<u>3,750,863</u>	<u>396,556</u>	<u>6,204,645</u>
<b>DEPRECIATION</b>				
At 1 April 2017	765,020	2,117,516	247,873	3,130,409
Charge for year	29,905	248,493	38,121	316,519
Eliminated on disposal	-	(18,832)	(1,519)	(20,351)
At 31 March 2018	<u>794,925</u>	<u>2,347,177</u>	<u>284,475</u>	<u>3,426,577</u>
<b>NET BOOK VALUE</b>				
At 31 March 2018	<u>1,262,301</u>	<u>1,403,686</u>	<u>112,081</u>	<u>2,778,068</u>
At 31 March 2017	<u>1,283,431</u>	<u>1,509,557</u>	<u>140,481</u>	<u>2,933,469</u>

Included in cost of land and buildings is freehold land of £ 667,831 (2017 - £ 667,831 ) which is not depreciated.

The net book value of tangible fixed assets includes £104,097 (2017 - £144,130) in respect of assets held under hire purchase contracts.

5. **STOCKS**

	2018 £	2017 £
Raw materials valuation	100,829	90,376
Growing crop valuation	<u>315,376</u>	<u>352,441</u>
	<u>416,205</u>	<u>442,817</u>

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade debtors	4,601	67,954
Prepayments and accrued income	148,457	87,651
VAT	11,732	27,201
Deferred tax asset	<u>69,587</u>	<u>91,236</u>
	<u>234,377</u>	<u>274,042</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2018

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts	1,043,214	860,253
Hire purchase contracts	37,364	50,288
Trade creditors	46,843	122,180
Taxation and social security	11,248	8,294
Other creditors	1,142,972	1,190,437
	<u>2,281,641</u>	<u>2,231,452</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Bank loans	880,184	961,132
Hire purchase contracts	19,877	44,421
Other creditors	93,000	46,500
	<u>993,061</u>	<u>1,052,053</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans more than 5 years	<u>361,131</u>	<u>421,132</u>

9. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017
	£	£
Bank overdrafts	923,217	750,253
Bank loans	1,000,181	1,071,132
Hire purchase contracts	57,241	94,709
	<u>1,980,639</u>	<u>1,916,094</u>

The bank overdraft is secured by a debenture dated 28 May 1998 which has a fixed and floating charge over the undertaking and all the property and assets. Further security is provided by land at Sidnall farm and a limited guarantee from WSC Richards OBE KSG DL.

The HSBC loans have a variable interest rate and are secured by two charges over Sidnall farm and the associated land dated 9 October 2003 and 31 January 2017. The loans mature in 2019 and 2026. A personal guarantee limited to £750,000 has been provided by WSC Richards OBE KSG DL in respect of these liabilities. There is also a second legal mortgage in favour of HSBC over the freehold property of WSC Richards OBE KSG DL known as The Lower Hope Estate, Ullingswick, Hereford.

A bank loan is also owed to the AMC. The interest rate is variable and it is secured by a legal charge dated 8 March 1990 over land and property held at Great Marston. The loan is interest only and matures in July 2030.

Obligations under hire purchase contracts are secured by the related assets.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2018

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10. DEFERRED TAX

	£
Balance at 1 April 2017	(91,236)
Provided during year	21,649
Deferred tax asset recognised	
Balance at 31 March 2018	<u>(69,587)</u>

The provision for deferred tax is made up as follows:

	2018	2017
	£	£
Accelerated capital allowances	125,181	126,447
Losses brought forward	<u>(194,768)</u>	<u>(217,681)</u>
	<u>(69,587)</u>	<u>(91,236)</u>

11. RELATED PARTY DISCLOSURES

An LLP in which two of the directors are members has an outstanding loan balance owed to it by Lower Hope Fruit Limited of £412,008 (2017 - £413,551). It also manages the arable enterprise under a management agreement.

A company which is controlled by one of the directors has an outstanding loan balance of £675,000 (2017 - £675,000). This loan is interest free and unsecured. The loan is repayable on demand.

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.