

Lower Hope Fruit Limited
Unaudited Financial Statements
for the Year Ended 31 March 2022

Lower Hope Fruit Limited (Registered number: 03383099)

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for the Year Ended 31 March 2022**

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Lower Hope Fruit Limited

**Company Information
for the Year Ended 31 March 2022**

DIRECTORS:	Mrs SA Richards RG Woolf
SECRETARY:	Lower Hope Investments Limited
REGISTERED OFFICE:	Lower Hope Ullingswick Hereford Herefordshire HR1 3JF
REGISTERED NUMBER:	03383099 (England and Wales)
ACCOUNTANTS:	The Hutchinson Partnership Limited trading as The Hutchinson Partnership Chartered Accountants The Bull Pen Grove Farm Portway, Burghill Hereford HR4 8NF
BANKERS:	HSBC Bank plc 1 Broad Street Leominster Herefordshire HR6 8BU
SOLICITORS:	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**

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 2022 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 profit 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
Grove Farm
Portway, Burghill
Hereford
HR4 8NF

8 July 2022

Lower Hope Fruit Limited (Registered number: 03383099)**Balance Sheet
31 March 2022**

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	4		2,749,145		2,866,310
CURRENT ASSETS					
Stocks	5	282,964		326,231	
Debtors	6	234,687		176,713	
Cash at bank and in hand		<u>21,589</u>		<u>21,865</u>	
		539,240		524,809	
CREDITORS					
Amounts falling due within one year	7	<u>1,523,162</u>		<u>2,414,604</u>	
NET CURRENT LIABILITIES			<u>(983,922)</u>		<u>(1,889,795)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,765,223		976,515
CREDITORS					
Amounts falling due after more than one year	8		<u>204,715</u>		<u>615,925</u>
NET ASSETS			<u>1,560,508</u>		<u>360,590</u>
CAPITAL AND RESERVES					
Allotted, issued and fully paid share capital			250,000		250,000
Retained earnings			<u>1,310,508</u>		<u>110,590</u>
SHAREHOLDERS' FUNDS			<u>1,560,508</u>		<u>360,590</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2022 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
- (b) 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.

The notes form part of these financial statements

Balance Sheet - continued
31 March 2022

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

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 by the Board of Directors and authorised for issue on 6 July 2022 and were signed on its behalf by:

Mrs SA Richards - Director

**Notes to the Financial Statements
for the Year Ended 31 March 2022**

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

Going concern

The company continues to re-invest in its fruit enterprise. As a consequence of previous investments 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 overdraft facilities and loans from other entities controlled by the directors. The overdraft facility has been agreed until March 2023.

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.

COVID-19 has meant extra costs have had to be incurred to satisfy social distancing and hygiene rules and to establish separate teams within the accommodation blocks to limit potential outbreaks within zones.

COVID-19 has not had an impact on income.

The directors have considered this in making their going concern assessment.

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

2. ACCOUNTING POLICIES - continued

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.

Raspberry plantations - valued at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the estimated useful life of 5 years. New technology means that new, potted, raspberry canes are written off in the year of purchase.

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

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their useful lives. Those held under finance leases are depreciated over their useful lives or the lease term, whichever is the shorter.

The interest elements of these obligations is charged to the profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. ACCOUNTING POLICIES - continued

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.

Capital grants

Capital grants received are capitalised and amortised to the profit and loss account over a period consistent with the depreciation policy of the fixed asset to which they relate.

3. EMPLOYEES

The average number of employees during the year was 72 (2021 - 90) .

4. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Tractors and vehicles £	Totals £
COST				
At 1 April 2021	2,132,137	4,597,086	445,968	7,175,191
Additions	-	224,539	100,781	325,320
Disposals	(25,000)	-	(111,561)	(136,561)
At 31 March 2022	<u>2,107,137</u>	<u>4,821,625</u>	<u>435,188</u>	<u>7,363,950</u>
DEPRECIATION				
At 1 April 2021	918,797	3,137,655	252,429	4,308,881
Charge for year	50,288	300,186	48,407	398,881
Eliminated on disposal	-	-	(92,957)	(92,957)
At 31 March 2022	<u>969,085</u>	<u>3,437,841</u>	<u>207,879</u>	<u>4,614,805</u>
NET BOOK VALUE				
At 31 March 2022	<u>1,138,052</u>	<u>1,383,784</u>	<u>227,309</u>	<u>2,749,145</u>
At 31 March 2021	<u>1,213,340</u>	<u>1,459,431</u>	<u>193,539</u>	<u>2,866,310</u>

Included in cost of land and buildings is freehold land of £ 667,831 (2021 - £ 667,831) which is not depreciated.

The net book value of tangible fixed assets includes £284,217 (2021 - £225,673) in respect of assets held under hire purchase contracts.

5. STOCKS

	2022 £	2021 £
Raw materials valuation	106,923	116,447
Growing crop valuation	<u>176,041</u>	<u>209,784</u>
	<u>282,964</u>	<u>326,231</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

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

	2022	2021
	£	£
Trade debtors	57,257	12,900
Prepayments and accrued income	74,498	79,613
VAT	12,344	8,439
Deferred tax asset	90,588	75,761
	<u>234,687</u>	<u>176,713</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Bank loans and overdrafts	1,093,738	1,324,654
Hire purchase contracts	93,458	48,207
Trade creditors	69,015	56,435
Taxation and social security	10,030	6,281
Other creditors	256,921	979,027
	<u>1,523,162</u>	<u>2,414,604</u>

Other creditors includes deferred capital grants of £29,445 (2021 - £29,445).

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

	2022	2021
	£	£
Bank loans	-	400,000
Hire purchase contracts	114,106	95,871
Other creditors	90,609	120,054
	<u>204,715</u>	<u>615,925</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans more than 5 years	<u>-</u>	<u>60,000</u>

Other creditors includes deferred capital grants of £90,609 (2021 - £120,054).

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

9. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank overdrafts	1,089,113	1,189,359
Bank loans	4,625	535,295
Hire purchase contracts	207,564	144,078
	<u>1,301,302</u>	<u>1,868,732</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.

There is a legal mortgage in favour of HSBC over the freehold property of Mrs SA Richards and the estate of WSC Richards CBE KSG DL known as The Lower Hope Estate, Ullingswick, Hereford.

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

10. DEFERRED TAX

	£
Balance at 1 April 2021	(75,761)
Provided during year	9,097
Change in rate of tax	(23,924)
Balance at 31 March 2022	<u>(90,588)</u>

The provision for deferred tax is made up as follows:

	2022	2021
	£	£
Accelerated capital allowances	221,912	161,739
Losses brought forward	(312,500)	(237,500)
	<u>(90,588)</u>	<u>(75,761)</u>

11. OTHER FINANCIAL COMMITMENTS

At the year end the company had future operating lease commitments of £4,872.

At the year end the company was committed to purchases totalling £188,181.

12. RELATED PARTY DISCLOSURES

Included in other creditors is a loan due to an LLP under common control of £180,436 (2021 - £214,388). This is interest free and repayable on demand. The LLP 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 £nil (2021 - £675,000). This loan was interest free, unsecured and 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.