

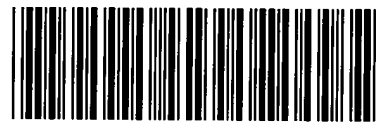
Company registration number: 03682894

Hilborough Farms Limited

Unaudited filleted financial statements

31 December 2019

TUESDAY



A9EN82EY

A25

29/09/2020

#64

COMPANIES HOUSE

Hilborough Farms Limited

Statement of financial position 31 December 2019

	Note	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	7	-		5,440	
Tangible assets	8	22,520,686		22,518,685	
Investments	9	132,000		132,000	
			22,652,686		22,656,125
Current assets					
Stocks	10	273,902		155,980	
Debtors	11	259,530		334,111	
Cash at bank and in hand		431,446		521,003	
		964,878		1,011,094	
Creditors: amounts falling due within one year	12	(12,911,965)		(12,878,419)	
Net current liabilities			(11,947,087)		(11,867,325)
Total assets less current liabilities			10,705,599		10,788,800
Creditors: amounts falling due after more than one year	13		(2,771,415)		(2,875,085)
Provisions for liabilities			(755,719)		(750,872)
Net assets			7,178,465		7,162,843
Capital and reserves					
Called up share capital	15		1,000		1,000
Revaluation reserve			7,576,812		7,575,600
Profit and loss account			(399,347)		(413,757)
Shareholders funds			7,178,465		7,162,843

For the year ending 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The notes on pages 3 to 10 form part of these financial statements.

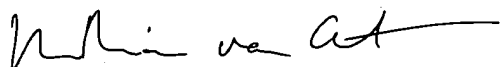
Hilborough Farms Limited

Statement of financial position (continued)
31 December 2019

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 11 September 2020, and are signed on behalf of the board by:



Mr WH van Cutsem
Director

Company registration number: 03682894

The notes on pages 3 to 10 form part of these financial statements.

Hilborough Farms Limited

Notes to the financial statements Year ended 31 December 2019

1. General information

The company is a private company limited by shares, registered in United Kingdom. The address of the registered office is Hilborough Farms Ltd, Hilborough House, Hilborough, Thetford, Norfolk, IP26 5BQ.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The directors consider that it is appropriate to prepare the financial statements on a going concern basis despite net current liabilities of £11,947,087. The company is supported by its parent undertaking by way of a £12,486,899 loan and the directors understand that this loan will continue to be made available for the foreseeable future. There are no other material uncertainties related to events or conditions, including the Covid-19 pandemic, that may cast significant doubt about the ability of the company to continue as a going concern.

Turnover

Turnover represents amounts receivable, excluding value added tax, for sales made during the year and derives from the provision of goods and services falling within the company's ordinary activities.

Arable and livestock sales are recognised upon delivery. Income relating to rent and other contracts is recognised in accordance with contract terms. Agricultural subsidies are recognised as shown below.

Government grants

Government grants are accounted for on the accruals basis with the Basic Payment recognised following completion of the relevant qualification period.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Hilborough Farms Limited

Notes to the financial statements (continued) Year ended 31 December 2019

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets

Amortisation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

- 2014 BPS entitlements - straight line over 6 years
- 2015 BPS entitlements - straight line over 5 years

Tangible assets

Freehold land and buildings whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity, such gains and losses are recognised in profit or loss.

Other fixed assets are valued on a historical cost basis.

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

- Freehold buildings - 2% - 4% straight line
- Plant and machinery - 15% - 20% straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Hilborough Farms Limited

Notes to the financial statements (continued) Year ended 31 December 2019

Stocks

Stock is valued at the lower of cost and net realisable value as shown below:

Growing crops - direct inputs on a first in first out basis and a proportion of overheads to the stage of crop production

Corn in store - lower of cost of production and net realisable value

Livestock - direct cost of purchase or breeding together with a proportion of overheads in rearing animals to their present state of maturity

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Retirement benefits

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Deferred income

Income received under an Option Agreement has been accounted for over the option period of 22 years.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 15 (2018: 15).

5. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2019	2018
	£	£
Remuneration	<u>27,259</u>	<u>27,287</u>

No directors have accrued retirement benefits in the year (2018: Nil).

Hilborough Farms Limited

Notes to the financial statements (continued) Year ended 31 December 2019

6. Tax on profit

Major components of tax expense

	2019 £	2018 £
Current tax:		
UK current tax expense	4,334	8,194
Adjustments in respect of previous periods	(618)	(3,367)
Total current tax	3,716	4,827
Deferred tax:		
Origination and reversal of timing differences	4,598	(1,087)
Tax on profit	8,314	3,740

Tax recognised as other comprehensive income or equity

The aggregate current and deferred tax relating to items recognised as other comprehensive income or equity for the year was £ 249 (2018: £ 248).

Factors affecting future tax expense

At 31 December 2019 the company had ring fenced capital losses of £40,671 (2018: £40,671) which are available for offset against future capital profits.

7. Intangible assets

	BPS entitlements £
Cost	
At 1 January 2019 and 31 December 2019	31,494
Amortisation	
At 1 January 2019	26,054
Charge for the year	5,440
At 31 December 2019	31,494
Carrying amount	
At 31 December 2019	-
At 31 December 2018	5,440

Hilborough Farms Limited

Notes to the financial statements (continued)
Year ended 31 December 2019

8. Tangible assets

	Freehold property	Plant and machinery	Total
	£	£	£
Cost/Valuation			
At 1 January 2019	22,640,318	280,994	22,921,312
Additions	-	95,673	95,673
Disposals	-	(62,552)	(62,552)
At 31 December 2019	<u>22,640,318</u>	<u>314,115</u>	<u>22,954,433</u>
Depreciation			
At 1 January 2019	211,253	191,374	402,627
Charge for the year	35,555	35,827	71,382
Disposals	-	(40,262)	(40,262)
At 31 December 2019	<u>246,808</u>	<u>186,939</u>	<u>433,747</u>
Carrying amount			
At 31 December 2019	<u>22,393,510</u>	<u>127,176</u>	<u>22,520,686</u>
At 31 December 2018	<u>22,429,065</u>	<u>89,620</u>	<u>22,518,685</u>

Hilborough Farms Limited

Notes to the financial statements (continued) Year ended 31 December 2019

Tangible assets held at valuation

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property	Total
	£	£
At 31 December 2019		
Aggregate cost	14,575,342	14,575,342
Aggregate depreciation	(488,477)	(488,477)
Carrying amount	<u>14,086,865</u>	<u>14,086,865</u>
At 31 December 2018		
Aggregate cost	14,575,342	14,575,342
Aggregate depreciation	(443,683)	(443,683)
Carrying amount	<u>14,131,659</u>	<u>14,131,659</u>

Strutt & Parker LLP, regulated by the RICS, provided a desktop valuation for the directors of the company of all land and buildings for strategic planning purposes in December 2011 acknowledging that this valuation may be used for accounting purposes. WH van Cutsem, a director, Chartered Commercial Property Surveyor and member of the RICS considers that there has been no material change to the December 2011 valuation and that the value of land and buildings acquired since December 2011 approximates to original cost.

9. Investments

	Fixed asset investments
	£
Cost	
At 1 January 2019 and 31 December 2019	<u>132,000</u>
Impairment	
At 1 January 2019 and 31 December 2019	<u>-</u>
Carrying amount	
At 31 December 2019	<u>132,000</u>
At 31 December 2018	<u>132,000</u>

The investment relates to the acquisition of 12,692 ordinary shares in Ecospray Limited, a company of which Mr WH van Cutsem and Mr EBC van Cutsem are shareholders and directors. Mr HR van Cutsem and Mr NPG van Cutsem are also shareholders of Ecospray Limited.

Hilborough Farms Limited

Notes to the financial statements (continued) Year ended 31 December 2019

10. Stocks

	2019	2018
	£	£
Livestock	23,635	13,616
Cultivations	225,628	133,084
Corn in store	23,989	8,680
Sundry stocks	650	600
	<u>273,902</u>	<u>155,980</u>

11. Debtors

	2019	2018
	£	£
Trade debtors	112,225	158,620
Other debtors	147,305	175,491
	<u>259,530</u>	<u>334,111</u>

12. Creditors: amounts falling due within one year

	2019	2018
	£	£
AMC loans	103,424	99,441
Trade creditors	38,603	72,376
Amounts owed to group undertakings and undertakings in which the company has a participating interest	12,486,899	12,486,899
Corporation tax	4,334	8,194
Social security and other taxes	3,322	3,087
Other creditors	275,383	208,422
	<u>12,911,965</u>	<u>12,878,419</u>

13. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
AMC loans	<u>2,771,415</u>	<u>2,875,085</u>

The AMC loans are secured on 457.32 hectares of land at Hilborough and Warren Gun reservoir.

Included within creditors: amounts falling due after more than one year is an amount of £ 2,312,637 (2018 £ 2,434,770) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Hilborough Farms Limited

Notes to the financial statements (continued) **Year ended 31 December 2019**

14. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019	2018
	£	£
Deferred tax liabilities	<u>755,719</u>	<u>750,872</u>

15. Called up share capital Issued, called up and fully paid

	2019		2018	
	No	£	No	£
Ordinary shares shares of £ 1.00 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

16. Parent company

The company was, throughout the year, a wholly owned subsidiary of Kestrel Services Ltd, a company incorporated in the Cayman Islands.