

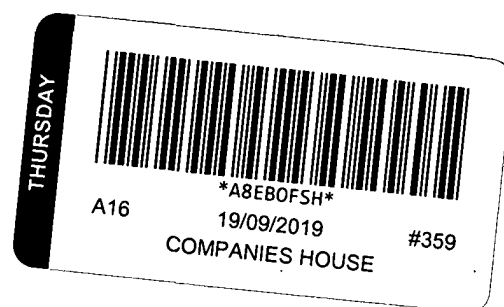
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Registration number: 04295450

# Barfoot Farms Limited

Annual Report and Consolidated Financial Statements

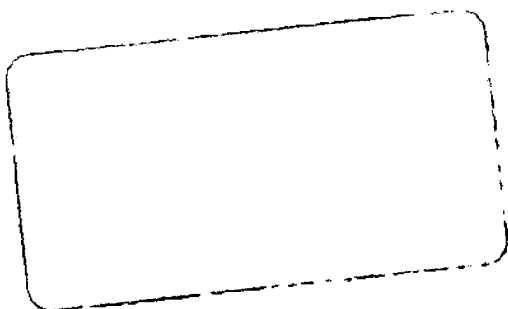
for the Year Ended 31 December 2018



## **Barfoot Farms Limited**

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## **Barfoot Farms Limited**

### **Company Information**

<b>Directors</b>	P C Barfoot N J Lake J D Marks H Kinloch
<b>Registered office</b>	Sefton Farm Pagham Road Bognor Regis West Sussex PO21 3PX
<b>Auditors</b>	Wilkins Kennedy Audit Services Statutory Auditors Carnac Place Cams Hall Estate Fareham Hampshire PO16 8UY

## Barfoot Farms Limited

### Strategic Report for the Year Ended 31 December 2018

The Directors present their strategic report for the year ended 31 December 2018.

#### Principal activity

The principal activity of the company is that of farming and managing the company's land and buildings.

#### Fair review of the business

##### Barfoot Farms Ltd

Barfoot Farms had an extremely poor farming year in 2018 (the worst in its trading history) due to the unusual climatic conditions experienced in the UK, starting with exceptionally cold weather, then exceptionally wet weather and then a drought for several months. Input costs were higher due to difficult ground conditions and yields were down 20-30% overall. The Board is confident that the business will return to normal levels of profitability in 2019, unless the 2018 weather pattern is repeated in 2019.

##### Barfoot Energy Ltd

The anaerobic digester at our site in West Sussex has now been in operation for eight years and is maintaining a high level of efficiency and reliability and delivers consistent profitability, which aid the overall consolidated profits of the Barfoot Farms Group of Companies. Due to synergies with other parts of the Barfoots Group (such as the supply of electricity to Barfoots of Botley Ltd), the benefits of this operation extend beyond the farming group.

##### Barfoot Energy Projects Ltd

As stated in last year's strategic report, the purpose of Barfoot Energy Projects Ltd is to assess, project manage and construct anaerobic digesters in the United Kingdom. Due to changes in government policy towards the AD sector no new AD plants will be constructed by Barfoot Energy Projects Ltd, though the business continues to be maintained.

##### Herriard Bio Power Ltd

This company owns an AD plant in North Hampshire which was completed in December 2013. Despite the ongoing negative commercial environment for food waste fuelled AD plants, partly due to competition on gate fees between AD plants, and high business rates assessments, the performance of this company has improved in 2018 to a break even result and a decent EBITDA. The shareholder continues to support the project fully and the hope is to build on the improvements made in 2018 as we move through 2019, including a possible expansion of the site.


#### Consolidated KPIs

Sales have reduced by 6.9%, compared to a rise in the previous year of 11.4%.

The gross profit stood at 29.0% compared to 37.0% in 2017.

The profit on ordinary activities before taxation stood at 1.3% of sales in 2018 compared to 11.0% in 2017.

Approved by the Board on 09/04/19 and signed on its behalf by:



J D Marks  
Director

## **Barfoot Farms Limited**

### **Directors' Report for the Year Ended 31 December 2018**

The Directors present their report and the for the year ended 31 December 2018.

#### **Directors of the group**

The directors who held office during the year were as follows:

P C Barfoot

N J Dellicott (resigned 5 April 2019)

N J Lake

J D Marks

H Kinloch

#### **Principal risks and uncertainties**

The directors review and agree policies for managing risk as summarised below:

##### **Liquidity risk**

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

##### **Interest rate risk**

The group finances its operations through retained profit and borrowings. The group's exposure to interest rate fluctuations on its borrowings is managed through the support of related party lenders.

#### **Future developments**

Future developments are set out in the Strategic Report.

#### **Statement of Directors responsibilities**

The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 and in accordance with Financial Reporting Standard 102. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Barfoot Farms Limited

### Directors' Report for the Year Ended 31 December 2018

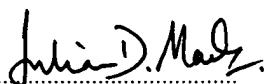
#### Dividends

During the year dividends were paid totalling £500,000.

#### Disclosure of information to the auditor

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 09/04/19 and signed on its behalf by:



J D Marks  
Director

## **Barfoot Farms Limited**

### **Independent Auditor's Report to the Members of Barfoot Farms Limited**

#### **Opinion**

We have audited the financial statements of Barfoot Farms Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018, which comprise the Consolidated Profit and Loss, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Barfoot Farms Limited**

### **Independent Auditor's Report to the Members of Barfoot Farms Limited**

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Statement of directors responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## Barfoot Farms Limited

### Independent Auditor's Report to the Members of Barfoot Farms Limited

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Wilkins Kennedy Audit Services*

Zara Hogg FCA (Senior Statutory Auditor)

For and on behalf of Wilkins Kennedy Audit Services, Statutory Auditors

Carnac Place  
Cams Hall Estate  
Fareham  
Hampshire  
PO16 8UY

Date: *9 April 2019*

# Barfoot Farms Limited

## Consolidated Profit and Loss for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover	3	16,618,313	17,851,175
Cost of sales		<u>(11,816,252)</u>	<u>(11,250,752)</u>
Gross profit		4,802,061	6,600,423
Administrative expenses		(6,456,343)	(5,842,951)
Other operating income	4	<u>1,974,139</u>	<u>1,348,841</u>
Operating profit	6	<u>319,857</u>	<u>2,106,313</u>
Other interest receivable and similar income		(886)	3,344
Interest payable and similar gains/(losses)	7	<u>(90,735)</u>	<u>(146,451)</u>
		<u>(91,621)</u>	<u>(143,107)</u>
Profit before tax		228,236	1,963,206
Taxation	11	<u>(70,254)</u>	<u>(419,646)</u>
Profit for the financial year		<u>157,982</u>	<u>1,543,560</u>
<b>Profit/(loss) attributable to:</b>			
Owners of the company		<u>157,982</u>	<u>1,543,560</u>

The group has no recognised gains or losses for the year other than the results above.

# Barfoot Farms Limited

## Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Profit for the year		<u>157,982</u>	<u>1,543,560</u>
Total comprehensive income for the year		<u><u>157,982</u></u>	<u><u>1,543,560</u></u>
<b>Total comprehensive income attributable to:</b>			
Owners of the company		<u><u>157,982</u></u>	<u><u>1,543,560</u></u>

The notes on pages 16 to 44 form an integral part of these financial statements.

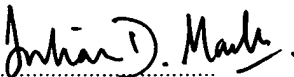
# Barfoot Farms Limited

(Registration number: 04295450)

## Consolidated Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	12	14,550,392	14,511,629
Investment property	13	518,108	518,108
Investments	14	1,388,509	1,388,509
Other financial assets		10,000	10,000
Biological assets	15	1,743,175	1,546,826
		<u>18,210,184</u>	<u>17,975,072</u>
<b>Current assets</b>			
Stocks	16	954,580	914,296
Debtors	17	3,042,970	2,411,573
Cash at bank and in hand	18	360,846	448,362
Biological assets	19	271,906	378,619
		<u>4,630,302</u>	<u>4,152,850</u>
<b>Creditors: Amounts falling due within one year</b>	20	<u>(13,740,380)</u>	<u>(12,840,224)</u>
<b>Net current liabilities</b>		<u>(9,110,078)</u>	<u>(8,687,374)</u>
<b>Total assets less current liabilities</b>		9,100,106	9,287,698
<b>Creditors: Amounts falling due after more than one year</b>	20	(233,948)	(91,390)
<b>Provisions for liabilities</b>	22	<u>(629,718)</u>	<u>(617,850)</u>
<b>Net assets</b>		<u>8,236,440</u>	<u>8,578,458</u>
<b>Capital and reserves</b>			
Called up share capital	24	33,154	33,154
Profit and loss account	25	<u>8,203,286</u>	<u>8,545,304</u>
Equity attributable to owners of the company		<u>8,236,440</u>	<u>8,578,458</u>
<b>Total equity</b>		<u>8,236,440</u>	<u>8,578,458</u>

Approved and authorised by the Board on 09/04/19 and signed on its behalf by:



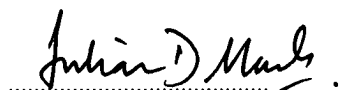
J D Marks  
Director

The notes on pages 16 to 44 form an integral part of these financial statements.

**Barfoot Farms Limited**  
**(Registration number: 04295450)**  
**Balance Sheet as at 31 December 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	12	8,125,203	7,375,642
Investment property	13	759,144	759,144
Investments	14	1,388,610	1,388,610
Biological assets	15	<u>1,743,175</u>	<u>1,546,826</u>
		<u>12,016,132</u>	<u>11,070,222</u>
<b>Current assets</b>			
Stocks	16	453,325	320,425
Debtors	17	1,807,763	1,281,307
Cash at bank and in hand	18	4,631	17,068
Biological assets	19	<u>271,906</u>	<u>378,619</u>
		2,537,625	1,997,419
<b>Creditors: Amounts falling due within one year</b>	20	<u>(6,539,483)</u>	<u>(4,083,914)</u>
<b>Net current liabilities</b>		<u>(4,001,858)</u>	<u>(2,086,495)</u>
<b>Total assets less current liabilities</b>		8,014,274	8,983,727
<b>Creditors: Amounts falling due after more than one year</b>	20	(233,948)	(91,390)
<b>Provisions for liabilities</b>	22	<u>(145,809)</u>	<u>(151,301)</u>
<b>Net assets</b>		<u>7,634,517</u>	<u>8,741,036</u>
<b>Capital and reserves</b>			
Called up share capital		33,154	33,154
Profit and loss account		<u>7,601,363</u>	<u>8,707,882</u>
<b>Total equity</b>		<u>7,634,517</u>	<u>8,741,036</u>

Approved and authorised by the Board on 09/04/19 and signed on its behalf by:



J D Marks  
Director

**Barfoot Farms Limited**

**Consolidated Statement of Changes in Equity for the Year Ended 31 December 2018**  
**Equity attributable to the parent company**

	Share capital £	Profit and loss account £	Total £	Total equity £
At 1 January 2018	33,154	8,545,304	8,578,458	8,578,458
Profit for the year	-	157,982	157,982	157,982
Dividends	-	(500,000)	(500,000)	(500,000)
At 31 December 2018	<u>33,154</u>	<u>8,203,286</u>	<u>8,236,440</u>	<u>8,236,440</u>

	Share capital £	Profit and loss account £	Total £	Total equity £
At 1 January 2017	33,154	7,201,744	7,234,898	7,234,898
Profit for the year	-	1,543,560	1,543,560	1,543,560
Dividends	-	(200,000)	(200,000)	(200,000)
At 31 December 2017	<u>33,154</u>	<u>8,545,304</u>	<u>8,578,458</u>	<u>8,578,458</u>

Note

The notes on pages 16 to 44 form an integral part of these financial statements.  
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**Barfoot Farms Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2018**

	Share capital £	Profit and loss account £	Total £
At 1 January 2018	33,154	8,707,882	8,741,036
Loss for the year	-	(606,519)	(606,519)
Dividends	-	(500,000)	(500,000)
At 31 December 2018	<u>33,154</u>	<u>7,601,363</u>	<u>7,634,517</u>

	Share capital £	Profit and loss account £	Total £
At 1 January 2017	33,154	7,946,769	7,979,923
Profit for the year	-	961,113	961,113
Dividends	-	(200,000)	(200,000)
At 31 December 2017	<u>33,154</u>	<u>8,707,882</u>	<u>8,741,036</u>

Note

The notes on pages 16 to 44 form an integral part of these financial statements.  
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# Barfoot Farms Limited

## Consolidated Statement of Cash Flows for the Year Ended 31 December 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Profit for the year		157,982	1,543,560
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	1,676,904	1,541,591
Profit on disposal of tangible assets		(16,897)	(15,072)
Finance income		886	(3,344)
Finance costs	7	88,909	146,973
Income tax expense	11	70,254	419,646
		<u>1,978,038</u>	<u>3,633,354</u>
Working capital adjustments			
Increase in stocks and biological assets	16	(129,920)	(216,971)
(Increase)/decrease in trade debtors	17	(503,008)	187,826
Increase/(decrease) in trade creditors	20	410,605	(104,280)
Increase in provisions	22	15,000	15,000
Decrease in deferred income, including government grants		<u>(58,263)</u>	<u>(58,292)</u>
Cash generated from operations		1,712,452	3,456,637
Income taxes paid	11	<u>(303,900)</u>	<u>(227,813)</u>
Net cash flow from operating activities		<u>1,408,552</u>	<u>3,228,824</u>
<b>Cash flows from investing activities</b>			
Interest received		(886)	3,344
Acquisitions of tangible assets		(1,786,027)	(1,520,382)
Proceeds from sale of tangible assets		87,258	77,173
Dividend income		<u>6,718</u>	<u>-</u>
Net cash flows from investing activities		<u>(1,692,937)</u>	<u>(1,439,865)</u>
<b>Cash flows from financing activities</b>			
Interest paid	7	(93,802)	(152,494)
Repayment of bank borrowing		(383,390)	(291,051)
Proceeds from other borrowing draw downs		2,710,000	-
Repayment of other borrowing		(1,899,807)	(1,650,000)
Receipts from finance lease debtors		297,415	-
Payments to finance lease creditors		-	(74,702)
Dividends paid		<u>(500,000)</u>	<u>(200,000)</u>
Net cash flows from financing activities		<u>130,416</u>	<u>(2,368,247)</u>
Net decrease in cash and cash equivalents		(153,969)	(579,288)
Cash and cash equivalents at 1 January		(1,312,311)	(733,545)
Effect of exchange rate fluctuations on cash held		<u>(1,825)</u>	<u>522</u>

The notes on pages 16 to 44 form an integral part of these financial statements.



# **Barfoot Farms Limited**

## **Consolidated Statement of Cash Flows for the Year Ended 31 December 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
Cash and cash equivalents at 31 December		<u>(1,468,105)</u>	<u>(1,312,311)</u>

## **Barfoot Farms Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Sefter Farm  
Pagham Road  
Bognor Regis  
West Sussex  
PO21 3PX

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in sterling (£), which is also the functional currency.

##### **Disclosure exemptions**

FRS 102 allows exemptions from presenting the company cash flow statement, financial instruments disclosures and related party transactions with and between wholly-owned subsidiaries, provided that the financial statements of the parent and wholly-owned subsidiaries are included in consolidated accounts and there are no objection from the shareholders. The shareholders of the company have taken advantage of FRS 102 exemptions and the financial statements have been prepared in accordance with the exemptions.

## **Barfoot Farms Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2018.

No Profit and Loss is presented for the company as permitted by section 408 of the Companies Act 2006. The company made a loss after tax for the financial year of £606,519 (2017 - profit of £961,113).

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

#### **Going concern**

The financial statements have been prepared on a going concern basis.

#### **Judgements**

In preparation of the financial statements, the directors have made the following judgements:

Determine whether leases entered into by the company are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Determine whether there are any indicators of impairments of the company's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Determine whether borrowings are classed as current or non-current borrowings. These decisions depend on the cash flow requirements of the company and whether the borrowings of the company can be repaid.

## **Barfoot Farms Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **Key sources of estimation uncertainty**

Tangible fixed assets, other than land and buildings, are depreciated over their useful lives, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into consideration. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Land is not depreciated in accordance with FRS 102. Buildings, excluding separately identified components, are not depreciated, however are reviewed annually for impairment. It is the company's practice to maintain these assets in a continual state of sound repair and make improvements thereto from time to time. The life of the asset is considered to be so long and residual value so high that depreciation is insignificant and any permanent diminution in value would be recognised in the profit or loss for the year.

Investment property is included at fair value, in accordance with FRS 102. Fair value is estimated by the directors, on the basis of a professional valuation carried out on a small proportion of the land which has been disposed of in the year, as well as their knowledge of the local land prices.

Stock is reviewed annually for impairment and a stock provision is provided for accordingly on a line by line basis. Product life cycles, changing fashions, general market conditions and expected net realisable value are taken into consideration when determining the level of provision required.

Biological assets are reviewed annually to determine whether they constitute a fixed or current asset, this assessment considers the likely period to generating revenue for the entity. The cost model used for valuing the biological assets involves a reasonable estimate by the directors into the usage and allocation of resources in getting the biological asset into its year end condition.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The Group recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the Group's activities.

#### **Government grants**

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

## Barfoot Farms Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

#### Research and development

Research and development costs are written off to the P&L as incurred.

#### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, other than an element of freehold land, held by the group, which has been revalued and stated at fair value.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold buildings	2% - 5% straight line basis
Leasehold land and buildings	10% straight line basis
Plant and machinery	5% - 25% straight line basis
Fixtures and fittings	15% - 33% straight line basis
Motor vehicles	20% - 33% straight line basis

#### Investment property

The Company has entered into commercial leases as a lessor on its investment property. Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by the valuation of management. Management use observable market prices, adjusted if necessary for any difference in nature, location or condition of the specific asset. Changes in fair value are recognised in the profit or loss account.

## **Barfoot Farms Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **Investments**

Investments in equity shares which are not publicly traded, which include subsidiaries, are measured at cost less impairment.

Subsidiaries are entities over which the company has control

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### **Biological assets**

Biological assets are recognised in accordance with FRS 102, categorised as short or long term depending upon the product lifecycle.

Biological assets which will produce more than one crop over a number of years are classified as long term biological assets. These assets are mainly in respect of Asparagus and Rhubarb. These biological assets are valued at cost less impairment and depreciation. Depreciation is provided over an expected life of 8 years.

All other biological assets, which will produce a single crop, are classified as short term biological assets. These biological assets are valued at cost less impairment.

#### **Inventories**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Provisions**

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

## **Barfoot Farms Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as an employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

## Barfoot Farms Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### Financial instruments

##### *Classification*

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### (i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### (ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### (iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.



## Barfoot Farms Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 3 Revenue

The analysis of the group's turnover for the year by class of business is as follows:

	2018	2017
	£	£
Sale of goods	11,960,844	13,505,802
Revenue in respect of electricity supplies	4,657,469	4,345,373
	<u>16,618,313</u>	<u>17,851,175</u>

#### 4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2018	2017
	£	£
Government grants	58,263	58,263
Sub lease rental income	468,639	441,301
Miscellaneous other operating income	1,566,330	1,067,578
Management charges	(119,093)	(218,301)
	<u>1,974,139</u>	<u>1,348,841</u>

#### 5 Government grants

A SEEDA grant was provided to Barfoot Energy Limited to assist with the purchase of capital items. The full amount has been classed as deferred income and is released on a straight line basis each year to the profit and loss account as other income over a 10 year period. The amount held within deferred income as at the balance sheet date is £87,364 (2017 - £145,627).

#### 6 Operating profit

Arrived at after charging/(crediting)

	2018	2017
	£	£
Depreciation expense	1,676,904	1,541,591
Foreign exchange gains/(losses)	1,826	(522)
Operating lease expense - property	1,999,290	1,760,266
Operating lease expense - plant and machinery	787,777	506,306
Profit on disposal of property, plant and equipment	<u>(16,897)</u>	<u>(15,072)</u>

# Barfoot Farms Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 7 Interest payable and similar (gains)/losses

	2018 £	2017 £
Interest on bank overdrafts and borrowings	40,416	40,752
Interest expense on other finance liabilities	48,493	106,221
Foreign exchange (gains) / losses	1,826	(522)
	<u>90,735</u>	<u>146,451</u>

### 8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018 £	2017 £
Wages and salaries	5,578,734	5,388,426
Social security costs	534,038	502,967
Pension costs, defined contribution scheme	70,233	36,897
	<u>6,183,005</u>	<u>5,928,290</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2018 No.	2017 No.
Production	145	148
Administration and support	22	20
	<u>167</u>	<u>168</u>

## Barfoot Farms Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	632,114	602,916
Contributions paid to money purchase schemes	4,000	4,000
	<u>636,114</u>	<u>606,916</u>

Everyone considered to be key management personnel are also directors.

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2018 No.	2017 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid director:

	2018 £	2017 £
Remuneration	356,114	326,916
Company contributions to money purchase pension schemes	<u>4,000</u>	<u>4,000</u>

#### 10 Auditors' remuneration

	2018 £	2017 £
Audit of these financial statements	6,975	9,065
Audit of the financial statements of subsidiaries of the company pursuant to legislation	<u>6,041</u>	<u>8,021</u>
	<u>13,016</u>	<u>17,086</u>

#### Other fees to auditors

Audit-related assurance services	4,500	1,850
Taxation compliance services	2,060	2,000
All other tax advisory services	1,375	1,340
Preparation of company's subsidiaries accounts	<u>2,550</u>	<u>-</u>
	<u>10,485</u>	<u>5,190</u>

## Barfoot Farms Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 11 Taxation

Tax charged/(credited) in the income statement

	2018 £	2017 £
<b>Current taxation</b>		
UK corporation tax	201,170	378,535
UK corporation tax adjustment to prior periods	<u>(127,784)</u>	<u>(11,801)</u>
	73,386	366,734
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>(3,132)</u>	<u>52,912</u>
Tax expense in the income statement	<u><u>70,254</u></u>	<u><u>419,646</u></u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2017 - the same as the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £	2017 £
Profit before tax	<u>228,236</u>	<u>1,963,206</u>
Corporation tax at standard rate	43,365	377,917
Decrease from effect of different UK tax rates on some earnings	(1,521)	(66)
Effect of revenues exempt from taxation	(1,276)	-
Effect of expense not deductible in determining taxable profit (tax loss)	634	6,094
UK deferred tax expense/(credit) relating to changes in tax rates or laws	288	(4,177)
Increase/(decrease) from tax losses for which no deferred tax asset was recognised	119	(45)
Deferred tax expense from unrecognised temporary difference from a prior period	94	21,234
Decrease in UK and foreign current tax from adjustment for prior periods	(9,068)	(11,801)
Permanent difference as a result of ineligible depreciation	37,619	36,881
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>-</u>	<u>(6,391)</u>
Total tax charge	<u><u>70,254</u></u>	<u><u>419,646</u></u>

# Barfoot Farms Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

### Deferred tax

#### Group

#### Deferred tax assets and liabilities

	Asset £	Liability £
<b>2018</b>		
Accelerated tax depreciation	-	544,304
Tax losses carried forward and other deductions	-	-
Short term timing differences	837	-
	<u>837</u>	<u>544,304</u>

	Asset £	Liability £
<b>2017</b>		
Accelerated tax depreciation	-	334,478
Tax losses carried forward and other deductions	3,247	-
Short term timing differences	820	-
	<u>4,067</u>	<u>334,478</u>

#### Company

#### Deferred tax assets and liabilities

	Asset £	Liability £
<b>2018</b>		
Accelerated capital allowances	-	146,645
Short term timing differences	837	-
	<u>837</u>	<u>146,645</u>

	Asset £	Liability £
<b>2017</b>		
Accelerated capital allowances	-	152,120
Short term timing differences	820	-
	<u>820</u>	<u>152,120</u>

**Barfoot Farms Limited**

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

**12 Tangible assets**

**Group**

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2018	8,860,693	34,152	300,564	14,637,976	23,833,385
Additions	257,223	10,516	144,780	1,373,508	1,786,027
Disposals	-	-	(132,000)	(62,091)	(194,091)
At 31 December 2018	<u>9,117,916</u>	<u>44,668</u>	<u>313,344</u>	<u>15,949,393</u>	<u>25,425,321</u>
<b>Depreciation</b>					
At 1 January 2018	1,494,660	24,853	145,276	7,656,966	9,321,755
Charge for the year	203,374	4,597	85,194	1,383,739	1,676,904
Eliminated on disposal	-	-	(79,396)	(44,334)	(123,730)
At 31 December 2018	<u>1,698,034</u>	<u>29,450</u>	<u>151,074</u>	<u>8,996,371</u>	<u>10,874,929</u>
<b>Carrying amount</b>					
At 31 December 2018	<u>7,419,882</u>	<u>15,218</u>	<u>162,270</u>	<u>6,953,022</u>	<u>14,550,392</u>
At 31 December 2017	<u>7,366,032</u>	<u>9,299</u>	<u>155,288</u>	<u>6,981,010</u>	<u>14,511,629</u>

Included within the net book value of land and buildings above is £5,849,734 (2017 - £5,774,698) in respect of freehold land and buildings and £1,570,148 (2017 - £1,591,334) in respect of long leasehold land and buildings.

## Barfoot Farms Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### Assets held for use in operating leases

Included within the cost of tangible fixed assets is £518,108 (2017 - £518,108) in respect of assets held for use in operating leases. The accumulated depreciation charges on these assets is £nil (2017 - £nil).

#### Revaluation

The fair value of a portion of the group's freehold land was revalued in 2016. The directors have used the professional valuation obtained in relation to a disposal of land in 2016 as a basis for their estimate of the fair value of the remaining land, as well as their knowledge of the price of land in the local area.

Had this class of asset been measured on a historical cost basis, the carrying amount would have been £7,580 (2017 - £7,580).

#### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2018	2017
	£	£
Plant and machinery	<u>341,999</u>	<u>-</u>

**Barfoot Farms Limited**

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

**Company**

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2018	6,297,801	11,520	296,731	5,356,743	11,962,795
Additions	229,230	10,516	135,780	1,095,379	1,470,905
Disposals	-	-	(132,000)	(44,291)	(176,291)
At 31 December 2018	<u>6,527,031</u>	<u>22,036</u>	<u>300,511</u>	<u>6,407,831</u>	<u>13,257,409</u>
<b>Depreciation</b>					
At 1 January 2018	1,012,018	5,439	144,854	3,424,842	4,587,153
Charge for the year	104,672	3,204	81,701	474,163	663,740
Eliminated on disposal	-	-	(79,396)	(39,291)	(118,687)
At 31 December 2018	<u>1,116,690</u>	<u>8,643</u>	<u>147,159</u>	<u>3,859,714</u>	<u>5,132,206</u>
<b>Carrying amount</b>					
At 31 December 2018	<u>5,410,341</u>	<u>13,393</u>	<u>153,352</u>	<u>2,548,117</u>	<u>8,125,203</u>
At 31 December 2017	<u>5,285,783</u>	<u>6,081</u>	<u>151,877</u>	<u>1,931,901</u>	<u>7,375,642</u>

Included within the net book value of land and buildings above is £5,249,295 (2017 - £5,173,853) in respect of freehold land and buildings and £161,046 (2017 - £111,930) in respect of long leasehold land and buildings.



**Barfoot Farms Limited**

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

**Assets held for use in operating leases**

Included within the cost of tangible fixed assets is £759,144 (2017 - £759,144) in respect of assets held for use in operating leases. The accumulated depreciation charges on these assets is £nil (2017 - £nil).

## Barfoot Farms Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 13 Investment properties

##### Group

	<b>2018</b>
	<b>£</b>
At 1 January and 31 December	<u>518,108</u>

In accordance with the requirements of FRS 102, investment properties have been revalued by management. Land was disposed of during 2016, and the directors have used the professional valuation obtained in relation to that disposal as a basis for their estimate of the fair value of the remaining land, as well as their knowledge of the price of land in the local area.

##### Company

	<b>2018</b>
	<b>£</b>
At 1 January and 31 December	<u>759,144</u>

In accordance with the requirements of FRS 102, investment properties have been revalued by management. Land was disposed of during 2016, and the directors have used the professional valuation obtained in relation to that disposal as a basis for their estimate of the fair value of the remaining land, as well as their knowledge of the price of land in the local area.

## Barfoot Farms Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 14 Investments

##### Company

	2018 £	2017 £
Investments in subsidiaries	101	101
Other unlisted investments	1,388,509	1,388,509
	<u>1,388,610</u>	<u>1,388,610</u>

##### Subsidiaries

##### Cost or valuation

At 1 January 2018	<u>101</u>
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##### Carrying amount

At 31 December 2018	<u>101</u>
At 31 December 2017	<u>101</u>

#### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
Barfoot Energy Limited	England and Wales	Ordinary share	100%	100%
Barfoot Energy Projects Limited	England and Wales	Ordinary share	100%	100%
Herriard Bio Power Limited	England and Wales	Ordinary share	100%	100%

The principal activity of Barfoot Energy Limited is Production of electricity from anaerobic digestion.

The principal activity of Barfoot Energy Projects Limited is Consultancy for anaerobic digestion processes.

The principal activity of Herriard Bio Power Limited is Production of electricity from anaerobic digestion processes.

## Barfoot Farms Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 15 Biological assets - Non-current

	2018	2017
	£	£
Opening carrying amount	1,546,826	1,420,332
Purchases / inputs	455,391	333,829
Depreciation	(259,042)	(207,335)
Closing carrying amount	<u>1,743,175</u>	<u>1,546,826</u>

#### 16 Stocks

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Raw materials and consumables	453,325	320,425	453,325	320,425
Other inventories	<u>501,255</u>	<u>593,871</u>	<u>-</u>	<u>-</u>
	<u>954,580</u>	<u>914,296</u>	<u>453,325</u>	<u>320,425</u>

#### Group

The cost of stocks recognised as an expense in the year amounted to £4,168,409 (2017 - £4,024,076).

The difference between purchase price or production cost of stocks and their replacement cost is not material.

#### Company

The cost of stocks recognised as an expense in the year amounted to £2,961,983 (2017 - £3,310,630).

The difference between purchase price or production cost of stocks and their replacement cost is not material.

# Barfoot Farms Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 17 Debtors

	Note	Group		Company	
		2018 £	2017 £	2018 £	2017 £
Trade debtors		679,072	545,758	43,854	55,304
Other debtors		459,343	413,946	459,097	325,017
Prepayments		293,608	319,686	151,733	181,188
Accrued income		1,482,556	1,132,183	1,024,688	719,798
Income tax asset	11	128,391	-	128,391	-
		<u>3,042,970</u>	<u>2,411,573</u>	<u>1,807,763</u>	<u>1,281,307</u>
Less non-current portion		-	(30,000)	-	-
Total current trade and other debtors		<u>3,042,970</u>	<u>2,381,573</u>	<u>1,807,763</u>	<u>1,281,307</u>

### Details of non-current trade and other debtors

#### Group

£Nil (2017 - £30,000) of other receivables is classified as non current.

### 18 Cash and cash equivalents

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Cash at bank	360,846	448,362	4,631	17,068
Bank overdrafts	<u>(1,828,950)</u>	<u>(1,760,673)</u>	<u>(1,828,950)</u>	<u>(1,760,673)</u>
Cash and cash equivalents in statement of cash flows	<u>(1,468,104)</u>	<u>(1,312,311)</u>	<u>(1,824,319)</u>	<u>(1,743,605)</u>

### 19 Biological assets - Current

	2018 £	2017 £
Opening carrying amount	378,619	350,755
Purchases / inputs	7,979,805	7,911,360
Sales / COS transfers	(8,086,519)	(7,883,496)
Closing carrying amount	<u>271,905</u>	<u>378,619</u>

# Barfoot Farms Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 20 Creditors

	Note	Group		Company	
		2018 £	2017 £	2018 £	2017 £
<b>Due within one year</b>					
Loans and borrowings	21	8,352,610	10,102,673	1,892,417	2,052,673
Trade creditors		728,621	453,459	482,074	235,342
Social security and other taxes		245,381	226,599	48,840	84,646
Outstanding defined contribution pension costs		4,014	1,675	4,014	1,675
Other payables		3,422,519	1,049,990	3,415,519	1,043,201
Accrued expenses		724,700	582,907	696,619	537,331
Corporation tax liability	11	175,171	277,294	-	129,046
Deferred income		87,364	145,627	-	-
		<u>13,740,380</u>	<u>12,840,224</u>	<u>6,539,483</u>	<u>4,083,914</u>
<b>Due after one year</b>					
Loans and borrowings	21	<u>233,948</u>	<u>91,390</u>	<u>233,948</u>	<u>91,390</u>

# Barfoot Farms Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 21 Loans and borrowings

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
<b>Non-current loans and borrowings</b>				
Bank borrowings	-	91,390	-	91,390
Finance lease liabilities	233,948	-	233,948	-
	<u>233,948</u>	<u>91,390</u>	<u>233,948</u>	<u>91,390</u>

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
<b>Current loans and borrowings</b>				
Bank borrowings	-	292,000	-	292,000
Bank overdrafts	1,828,950	1,760,673	1,828,950	1,760,673
Finance lease liabilities	63,467	-	63,467	-
Other borrowings	6,460,193	8,050,000	-	-
	<u>8,352,610</u>	<u>10,102,673</u>	<u>1,892,417</u>	<u>2,052,673</u>

### Group

#### Bank borrowings

Packhouse loan is denominated in pound sterling with a nominal interest rate of 0.75% over base rate, and the final instalment is due on 5 August 2019. The carrying amount at year end is £Nil (2017 - £47,062).

Packhouse loan is repayable in 80 quarterly instalments commencing 6 August 1999 and secured by fixed and floating charge over the company's assets.

The packhouse loan was fully repaid in the year.

Farm loan (a) is denominated in pound sterling with a nominal interest rate of 1.25% over base rate, and the final instalment is due on 31 January 2019. The carrying amount at year end is £Nil (2017 - £336,328).

Farm loan (a) is repayable in 40 quarterly instalments commencing 1 February 2009 and secured by fixed and floating charge over the company's assets.

Farm loan (a) was fully repaid in the year.

## Barfoot Farms Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### Other borrowings

The loan (a) is denominated in pound sterling with a nominal interest rate of 0% (2017 - 0%). The carrying amount at year end is £600,000 (2017 - £600,000).

The loan (a) is repayable on demand.

The loan (b) is denominated in pound sterling with a nominal interest rate of 0% (2017 - 0%). The carrying amount at year end is £5,445,193 (2017 - £5,950,000).

The loan (b) is repayable on demand.

The loan (c) is denominated in pound sterling with a nominal interest rate of 5% (2017 - 5%). The carrying amount at year end is £415,000 (2017 - £1,500,000).

The loan (c) is repayable on demand.

#### Company

##### Bank borrowings

The packhouse loan is denominated in pound sterling with a nominal interest rate of 0.75% over base rate%, and the final instalment is due on 5 August 2019. The carrying amount at year end is £Nil (2017 - £47,062).

The packhouse loan is repayable in 80 quarterly instalments commencing 6 August 1999 and secured by fixed and floating charge over the company's assets.

The packhouse loan was fully repaid in the year.

Farm loan (a) is denominated in pound sterling with a nominal interest rate of 1.25% over base rate%, and the final instalment is due on 31 January 2019. The carrying amount at year end is £Nil (2017 - £336,328).

Farm loan (a) is repayable in 40 quarterly instalments commencing 1 February 2009 and secured by fixed and floating charge over the company's assets.

Farm loan (a) was fully repaid in the year.

## 22 Deferred tax and other provisions

#### Group

	Deferred tax £	Other provisions £	Total £
At 1 January 2018	546,600	71,250	617,850
Additional provisions	(3,132)	15,000	11,868
At 31 December 2018	<u>543,468</u>	<u>86,250</u>	<u>629,718</u>

#### Other Provisions

The group occupies land that needs to be restored to its original state at the end of the lease. In accordance with FRS102, provision has been made for the cost of repairs, which the company is obliged to undertake under the terms of the lease. The provision relates to the expected cost of restoring the land spread over the period of the lease. The lease is for 25 years and expires in April 2038.



## Barfoot Farms Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### Company

	Deferred tax £	Total £
At 1 January 2018	151,301	151,301
Additional provisions	<u>(5,492)</u>	<u>(5,492)</u>
At 31 December 2018	<u>145,809</u>	<u>145,809</u>

#### 23 Pension and other schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £70,233 (2017 - £36,897).

Contributions totalling £4,014 (2017 - £1,675) were payable to the scheme at the end of the year and are included in creditors.

#### 24 Share capital

##### Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>33,154</u>	<u>33,154</u>	<u>33,154</u>	<u>33,154</u>

##### Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

Full voting and equity rights.

#### 25 Reserves

##### Group and Company

##### Share capital

The share capital represents the nominal value of shares that have been issued.

##### Share premium reserve

The share premium reserve represents the difference between the par value of the shares issued and the subscription or issue price.

##### Profit and loss account

The profit and loss account represents all accumulated net gains and losses. Included within the profit and loss reserves are undistributable unrealised fair value gains in respect of the revaluation to fair value of investment property and relevant freehold land, totalling £672,663 (2017 - £672,663).

## Barfoot Farms Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 26 Obligations under leases and hire purchase contracts

##### Group

##### Operating leases

The total of future minimum lease payments is as follows:

	2018	2017
	£	£
Not later than one year	1,335,256	1,766,423
Later than one year and not later than five years	1,974,613	1,862,611
Later than five years	2,316,850	2,596,834
	<u>5,626,719</u>	<u>6,225,868</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £2,811,258 (2017 - £2,295,026).

##### Company

##### Operating leases

The total of future minimum lease payments is as follows:

	2018	2017
	£	£
Not later than one year	1,275,256	1,661,484
Later than one year and not later than five years	1,734,613	1,622,611
Later than five years	1,461,850	1,681,834
	<u>4,471,719</u>	<u>4,965,929</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £2,679,374 (2017 - £2,230,568).

##### Operating leases - lessor

The total of future minimum lease payments is as follows:

	2018	2017
	£	£
Not later than one year	<u>40,000</u>	<u>40,000</u>

The Company holds land which is rented to third parties. These non-cancellable leases have remaining terms of not later than one year. All leases include a provision for five-yearly upward rent reviews according to prevailing market conditions.

#### 27 Commitments

##### Group

##### Capital commitments

The amounts contracted for but not provided in the financial statements at the balance sheet date were £nil (2017 - £341,816).

## Barfoot Farms Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### Company

##### Capital commitments

The amounts contracted for but not provided in the financial statements at the balance sheet date were £nil (2017 - £341,816).

#### 28 Contingent liabilities

##### Company

The parent company has guaranteed to support the subsidiary entities in the event that they are unable to discharge their liabilities as they fall due.

#### 29 Related party transactions

##### Group

##### Summary of transactions with other related parties

Other related parties are companies under common control.

Sales and purchases between other related parties are made at normal market prices. Outstanding balances with entities are unsecured, interest free and cash settlement, with exception of loans, is expected within the normal credit terms.

The company has not provided or benefited from any guarantees for any other related party receivables or payables.

##### Income and receivables from related parties

	Other related parties £
<b>2018</b>	
Sale of goods	13,536,826
Leases	180,000
	<u>13,716,826</u>
Amounts receivable from related party	<u>69,257</u>
	Other related parties £
<b>2017</b>	
Sale of goods	14,930,340
Leases	180,000
	<u>15,110,340</u>
Amounts receivable from related party	<u>673,387</u>

## Barfoot Farms Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### Expenditure with and payables to related parties

	Other related parties £
<b>2018</b>	
Rendering of services	358,825
Amounts payable to related party	<u>5,115</u>

	Other related parties £
<b>2017</b>	
Rendering of services	297,768
Amounts payable to related party	<u>23,341</u>

#### Loans from related parties

	Other related parties £
<b>2018</b>	
At start of period	9,057,233
Advanced	2,710,000
Repaid	<u>(1,899,807)</u>
At end of period	<u>9,867,426</u>

	Other related parties £
<b>2017</b>	
At start of period	10,711,527
Repaid	<u>(1,750,000)</u>
Interest charged	95,706
At end of period	<u>9,057,233</u>

#### Terms of loans from related parties

The loans from members of key management are repayable on demand.  
The loan terms from other related parties are detailed out on note 21.

## Barfoot Farms Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### Company

##### Summary of transactions with other related parties

Other related parties are companies under common control.

Sales and purchases between other related parties are made at normal market prices. Outstanding balances with entities are unsecured, interest free and cash settlement, with exception of loans, is expected within the normal credit terms.

The company has not provided or benefited from any guarantees for any other related party receivables or payables.

#### Income and receivables from related parties

	<b>Other related parties</b>
	<b>£</b>
<b>2018</b>	
Sale of goods	13,002,829
Leases	180,000
	<u>13,182,829</u>
Amounts receivable from related party	<u>33,164</u>

	<b>Other related parties</b>
	<b>£</b>
<b>2017</b>	
Sale of goods	14,382,787
Leases	180,000
	<u>14,562,787</u>
Amounts receivable from related party	<u>635,104</u>

#### Expenditure with and payables to related parties

	<b>Other related parties</b>
	<b>£</b>
<b>2018</b>	
Rendering of services	228,745
Amounts payable to related party	<u>5,115</u>

	<b>Other related parties</b>
	<b>£</b>
<b>2017</b>	
Rendering of services	256,708
Amounts payable to related party	<u>23,311</u>

## Barfoot Farms Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### Loans from related parties

	Other related parties £
<b>2018</b>	
At start of period	1,000,000
Advanced	<u>2,400,000</u>
At end of period	<u>3,400,000</u>
	Other related parties £
<b>2017</b>	
At start of period	<u>1,000,000</u>

#### Terms of loans from related parties

The loans from members of key management are repayable on demand.  
The loan terms from other related parties are detailed out on note 21.

#### 30 Financial instruments

##### Group

##### Categorisation of financial instruments

	2018 £	2017 £
Financial assets that are debt instruments measured at amortised cost	1,499,261	1,408,066
Financial assets that are equity instruments measured at cost less impairment	<u>1,398,509</u>	<u>1,398,509</u>
	<u>2,897,770</u>	<u>2,806,575</u>
Financial liabilities measured at amortised cost	<u>12,737,698</u>	<u>11,656,723</u>
	<u>12,737,698</u>	<u>11,656,723</u>

#### 31 Parent and ultimate parent undertaking

The ultimate controlling party is Mr P C Barfoot.

#### 32 Non adjusting events after the financial period

During January 2019, Barfoot Farms Limited, Barfoots of Botley Limited and related parties and subsidiaries underwent a group reconstruction. There is no financial effect of this event.