

Company Registration No. 09560263 (England and Wales)

YAREAL UK LIMITED
GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
PAGES FOR FILING WITH REGISTRAR

YAREAL UK LIMITED

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YAREAL UK LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	6		831,114		1,062,097
Tangible assets	7		52,789,921		47,733,481
Investment properties	8		5,022,434		12,832,823
Investments	9		3,001		3,001
			<u>58,646,470</u>		<u>61,631,402</u>
Current assets					
Stocks		4,900,869		3,513,129	
Debtors	11	3,711,598		4,324,888	
Cash at bank and in hand		10,899,420		2,602,803	
		<u>19,511,887</u>		<u>10,440,820</u>	
Creditors: amounts falling due within one year	12	<u>(38,933,975)</u>		<u>(37,352,438)</u>	
Net current liabilities			<u>(19,422,088)</u>		<u>(26,911,618)</u>
Total assets less current liabilities			<u>39,224,382</u>		<u>34,719,784</u>
Creditors: amounts falling due after more than one year	13		(196,767)		(116,292)
Provisions for liabilities			<u>(1,180,485)</u>		<u>(457,139)</u>
Net assets			<u><u>37,847,130</u></u>		<u><u>34,146,353</u></u>
Capital and reserves					
Called up share capital	15		32,450		32,450
Share premium account			43,346,484		43,346,484
Revaluation reserve			2,550,097		1,478,142
Profit and loss reserves			(8,081,901)		(10,710,723)
Total equity			<u><u>37,847,130</u></u>		<u><u>34,146,353</u></u>

The directors of the group have elected not to include a copy of the profit and loss account within the financial statements.

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

YAREAL UK LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 8 February 2022 and are signed on its behalf by:

Mr J B Unsworth
Director

Mr R J Taylor
Director

YAREAL UK LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	7		546,830		621,204
Investment properties	8		-		8,354,175
Investments	9		33,827,577		33,827,577
			<u>34,374,407</u>		<u>42,802,956</u>
Current assets					
Debtors	11	36,741,984		32,227,096	
Cash at bank and in hand		9,255,701		888,585	
		<u>45,997,685</u>		<u>33,115,681</u>	
Creditors: amounts falling due within one year	12	<u>(37,325,615)</u>		<u>(35,527,244)</u>	
Net current assets/(liabilities)			8,672,070		(2,411,563)
Total assets less current liabilities			<u>43,046,477</u>		<u>40,391,393</u>
Provisions for liabilities			(20,663)		(13,596)
Net assets			<u>43,025,814</u>		<u>40,377,797</u>
Capital and reserves					
Called up share capital	15		32,450		32,450
Share premium account			43,346,484		43,346,484
Profit and loss reserves			(353,120)		(3,001,137)
Total equity			<u>43,025,814</u>		<u>40,377,797</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,648,017 (2020 - £1,839,864 loss).

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

The financial statements were approved by the board of directors and authorised for issue on 8 February 2022 and are signed on its behalf by:

Mr J B Unsworth
Director

Mr R J Taylor
Director

Company Registration No. 09560263

YAREAL UK LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2020	32,450	43,346,484	1,180,184	(6,488,101)	38,071,017
Year ended 31 December 2020:					
Loss for the year	-	-	-	(4,222,622)	(4,222,622)
Other comprehensive income:					
Revaluation of tangible fixed assets	-	-	330,000	-	330,000
Tax relating to other comprehensive income	-	-	(32,042)	-	(32,042)
Total comprehensive income for the year	-	-	297,958	(4,222,622)	(3,924,664)
Balance at 31 December 2020	32,450	43,346,484	1,478,142	(10,710,723)	34,146,353
Year ended 31 December 2021:					
Profit for the year	-	-	-	2,628,822	2,628,822
Other comprehensive income:					
Revaluation of tangible fixed assets and intangible assets	-	-	1,358,438	-	1,358,438
Tax relating to other comprehensive income	-	-	(286,483)	-	(286,483)
Total comprehensive income for the year	-	-	1,071,955	2,628,822	3,700,777
Balance at 31 December 2021	32,450	43,346,484	2,550,097	(8,081,901)	37,847,130

YAREAL UK LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2020	32,450	43,346,484	(1,161,273)	42,217,661
Year ended 31 December 2020:				
Loss and total comprehensive income for the year	-	-	(1,839,864)	(1,839,864)
Balance at 31 December 2020	32,450	43,346,484	(3,001,137)	40,377,797
Year ended 31 December 2021:				
Profit and total comprehensive income for the year	-	-	2,648,017	2,648,017
Balance at 31 December 2021	32,450	43,346,484	(353,120)	43,025,814

YAREAL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Yareal UK Limited ("the company") is a private limited company by shares, domiciled and incorporated in England and Wales. The registered office is Third Floor, 20 Old Bailey, London, EC4M 7AN. The head office address is 17 Salop Road, Oswestry, SY11 2NR.

The group consists of Yareal UK Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Yareal UK Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The group profit and loss account includes the results of Yareal Humby Limited and Yareal Llanforda Limited from incorporation.

YAREAL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The group has the support of its ultimate parent and thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Entitlements	5 years
Shooting rights	see below

YAREAL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Costs directly attributable to the purchase of the shooting rights are amortised over 5 years. However, shooting rights are held under the revaluation model and are carried at a revalued amount, being their fair value (market value) at the reporting end date. As the shooting rights are revalued to their fair value each year, they are not amortised. This departs from a requirement of the Companies Act 2006 which requires all intangible assets to be amortised, this departure from the provisions of the Act is required in order to achieve a fair presentation. Management has concluded that the financial statements present fairly the entity's financial position and financial performance.

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.

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	0-2% Straight line
Plant and equipment	20% Straight line
Fixtures and fittings	20% Straight line
Computers	20% Straight line
Motor vehicles	20% Straight line

Freehold land is not depreciated. Freehold properties are assessed on an individual basis and are either depreciated at 2% straight line or not depreciated as they are recognised on a revaluation basis instead. The land and buildings which are not depreciated, depart from the requirement in the Companies Act 2006 for all fixed assets to be depreciated. This departure from the Act is required in order to achieve a fair presentation. Management has concluded that the financial statements present fairly the entity's financial position and financial performance.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.9 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Due to its restatement to fair value at each reporting date as required under FRS 102, investment property is not depreciated. This departs from a requirement of the Companies Act 2006 which requires all fixed assets to be depreciated. This departure from the provisions of the Act is required in order to achieve a fair presentation. Management has concluded that the financial statements present fairly the entity's financial position and financial performance.

YAREAL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.10 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1.11 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. The exception to this being agricultural produce which is measured at fair value less costs to sell at the point of harvest. This valuation is considered to represent its net realisable value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

YAREAL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.13 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.14 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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 publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 a 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

YAREAL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.15 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.16 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

YAREAL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.17 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.18 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.19 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

YAREAL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	10,000	10,000
Audit of the financial statements of the company's subsidiaries	23,500	24,000
	<u>33,500</u>	<u>34,000</u>

4 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Total	<u>34</u>	<u>33</u>	<u>34</u>	<u>33</u>

5 Directors' remuneration

	2021	2020
	£	£
Remuneration paid to directors	<u>37,000</u>	<u>37,000</u>

YAREAL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Intangible fixed assets

Group	Goodwill	Other Shooting rights		Total
	£	£	£	£
Cost or valuation				
At 1 January 2021	1,350,000	288,393	607,607	2,246,000
Revaluation	-	-	55,000	55,000
At 31 December 2021	1,350,000	288,393	662,607	2,301,000
Amortisation and impairment				
At 1 January 2021	930,000	248,690	5,213	1,183,903
Amortisation charged for the year	270,000	14,679	1,304	285,983
At 31 December 2021	1,200,000	263,369	6,517	1,469,886
Carrying amount				
At 31 December 2021	150,000	25,024	656,090	831,114
At 31 December 2020	420,000	39,703	602,394	1,062,097

The company had no intangible fixed assets at 31 December 2021 or 31 December 2020.

Shooting rights with a carrying amount of £645,000 were revalued at 31 December 2021 by Knight Frark, independent chartered valuers not connected with the group, on the basis of market value.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Cost	383,187	383,187	-	-
Accumulated amortisation	6,515	5,212	-	-
Carrying value	376,672	377,975	-	-

YAREAL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Tangible fixed assets

Group	Freehold land and buildings	Plant and fixtures and fittings equipment	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2021	46,330,359	2,618,088	94,222	16,458	49,178,217
Additions	2,056,141	1,242,961	1,532	908	3,301,542
Disposals	-	(80,150)	-	(4,500)	(84,650)
Revaluation	2,526,713	-	-	-	2,526,713
Transfers	(129,570)	-	-	-	(129,570)
At 31 December 2021	50,783,643	3,780,899	95,754	17,366	54,792,252
Depreciation and impairment					
At 1 January 2021	164,499	1,189,126	42,589	10,693	1,444,736
Depreciation charged in the year	55,486	498,038	15,725	2,666	595,658
Eliminated in respect of disposals	-	(35,663)	-	(2,400)	(38,063)
At 31 December 2021	219,985	1,651,501	58,314	13,359	2,002,331
Carrying amount					
At 31 December 2021	50,563,658	2,129,398	37,440	4,007	52,789,921
At 31 December 2020	46,165,860	1,428,962	51,633	5,765	47,733,481
Company	Freehold land and buildings	fixtures and fittings equipment	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2021	594,054	48,034	16,458	17,479	676,025
Additions	16,732	749	908	-	18,389
Revaluation	(78,725)	-	-	-	(78,725)
At 31 December 2021	532,061	48,783	17,366	17,479	615,689
Depreciation and impairment					
At 1 January 2021	2,722	29,769	10,693	11,637	54,821
Depreciation charged in the year	933	6,943	2,666	3,496	14,038
At 31 December 2021	3,655	36,712	13,359	15,133	68,859
Carrying amount					
At 31 December 2021	528,406	12,071	4,007	2,346	546,830
At 31 December 2020	591,332	18,265	5,765	5,842	621,204

YAREAL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Tangible fixed assets

(Continued)

Plant and machinery with a carrying amount of £619,871 (2020 - £385,397) have been pledged to secure borrowings of the group. The group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Land and buildings with a carrying amount of £45,802,556 were revalued at 31 December 2021 by Knight Frank, independent chartered valuers not connected with the group on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The following assets are carried at valuation. If the assets were measured using the cost model, the carrying amounts would be as follows:

	2021 £	2020 £
Group		
Cost	46,492,053	37,996,766
	<u> </u>	<u> </u>
Company		
Cost	888,177	884,452
	<u> </u>	<u> </u>
Carrying value	888,177	884,452
	<u> </u>	<u> </u>

8 Investment property

	Group 2021 £	Company 2021 £
Fair value		
At 1 January 2021	12,832,823	8,354,175
Transfers	129,570	-
Disposals	(8,354,175)	(8,354,175)
Revaluations	414,216	-
	<u> </u>	<u> </u>
At 31 December 2021	5,022,434	-
	<u> </u>	<u> </u>

Investment property comprises various UK properties. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 December 2021 by Knight Frank Chartered Surveyors, who are not connected with the group. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

YAREAL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Fixed asset investments

		Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	10	-	-	33,827,577	33,827,577
Unlisted investments		3,001	3,001	-	-
		<u>3,001</u>	<u>3,001</u>	<u>33,827,577</u>	<u>33,827,577</u>

Fixed asset investments not carried at market value

Investments are held at cost less impairment as they are not publically traded, and therefore their market value cannot be measured reliably.

10 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Yareal Humby Limited	Third Floor, 20 Old Bailey, London, EC4M 7AN	Agriculture	Ordinary	100
Yareal Llanforda Limited	Third Floor, 20 Old Bailey, London, EC4M 7AN	Agriculture	Ordinary	100

11 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:				
Trade debtors	1,450,944	1,948,308	-	-
Amounts owed by group	5,706	5,706	36,621,871	31,910,015
Other debtors	781,354	807,946	15,064	41,642
	<u>2,238,004</u>	<u>2,761,960</u>	<u>36,636,935</u>	<u>31,951,657</u>
Amounts falling due after more than one year:				
Deferred tax asset	<u>1,473,594</u>	<u>1,562,928</u>	<u>105,049</u>	<u>275,439</u>
Total debtors	<u>3,711,598</u>	<u>4,324,888</u>	<u>36,741,984</u>	<u>32,227,096</u>

YAREAL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Creditors: amounts falling due within one year

	Group 2021 £	2020 £	Company 2021 £	2020 £
Trade creditors	924,842	1,406,839	9,325	6,885
Amounts owed to group undertakings	37,219,127	35,409,967	37,219,127	35,409,967
Taxation and social security	41,869	43,798	41,869	43,798
Other creditors	748,137	491,834	55,294	66,594
	<u>38,933,975</u>	<u>37,352,438</u>	<u>37,325,615</u>	<u>35,527,244</u>

Included within group other creditors is £209,544 (2020 - £106,103) relating to an outstanding hire purchase liability which is secured against fixed assets.

13 Creditors: amounts falling due after more than one year

Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Other creditors	196,767	116,292	-	-
	<u>196,767</u>	<u>116,292</u>	<u>-</u>	<u>-</u>

Included within group other creditors is £196,767 (2020 - £116,292) relating to an outstanding hire purchase liability which is secured against fixed assets.

14 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Within one year	209,543	106,103	-	-
In two to five years	196,768	116,292	-	-
	<u>406,311</u>	<u>222,395</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is two years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

YAREAL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Share capital

Group and company	2021	2020	2021	2020
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	32,450	32,450	32,450	32,450

All issued shares are ordinary shares and rank equally for voting, dividend and distribution purposes.

16 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The auditor was Mitchell Charlesworth.

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	219,581	213,349

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Interest charge	
	2021	2020
	£	£
Group	176,369	184,965
Company	176,369	184,965

YAREAL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2021	2020
	£	£
Group		
Entities with control, joint control or significant influence over the group	37,219,127	35,409,967
	<u> </u>	<u> </u>
Company		
Entities with control, joint control or significant influence over the company	37,219,127	35,409,967
	<u> </u>	<u> </u>

Interest relates to interest payable on a loan held with the company's parent, YURA. Interest is charged at a rate of 0.5% per annum.

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2021	2020
	Balance	Balance
	£	£
Group		
Other related parties	5,705	5,705
	<u> </u>	<u> </u>
Company		
Other related parties	5,705	5,705
	<u> </u>	<u> </u>

YAREAL UK LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

17 Related party transactions

(Continued)

Other information

During the year there have been transactions between the group and Blodwell Farm, a partnership of which Mr R J Taylor has a majority share.

There have been electricity recharges made to Blodwell Farm totalling £26,463 (2020 - £50,317). Sales of straw and maize were also made totalling £45,586. The balance outstanding at the year end was £72,049 which is included in trade debtors (2020 - £102,946).

There have been charges made to Blodwell Farm for the supply of labour and other services totalling £3,000 (2020 - £62,535). The balance outstanding at the year end was £49,279 which is included in trade debtors (2020 - £48,403).

There have been monies collected by Blodwell Farm on behalf of the group which total £1,131,887 (2020 - £889,738). The balance of £1,258,149 (2020: £1,709,027) is outstanding at year end and is included in trade debtors.

There have also been charges made from Blodwell Farm for herd management and contract rearing services totalling £nil (2020 - £nil). The balance outstanding at the year end was £34,030 (2020 - £34,030) which is included in trade creditors.

The balances with Blodwell Farm are to be settled within nine months of the year end.

18 Controlling party

The parent company of Yareal UK Limited is YURA International S.p.A. a company incorporated in Italy. The registered office for YURA International S.p.A is Corso Vittorio Emanuele II 72 - 10121 Torino.

The ultimate parent company of Yareal UK Limited is YAFA S.p.A. a company incorporated in Italy.

Copies of YAFA S.p.A. accounts can be obtained upon request in writing to the registered office of Yareal UK Limited.

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.