

COMPANY REGISTRATION NUMBER: 10378647

**ETHOS FARM LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020**



ETHOS FARM LIMITED

BALANCE SHEET

31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	51,556	67,328
Current assets			
Debtors	6	291,804	466,030
Cash at bank and in hand		395,035	144,095
		<u>686,839</u>	<u>610,125</u>
Creditors: amounts falling due within one year	7	<u>(220,241)</u>	<u>(432,830)</u>
Net current assets		466,598	177,295
Total assets less current liabilities		518,154	244,623
Creditors: amounts falling due after more than one year	8	(224,086)	-
Provisions			
Taxation including deferred tax		<u>(6,346)</u>	<u>(8,773)</u>
Net assets		<u>287,722</u>	<u>235,850</u>
Capital and reserves			
Called up share capital	9	143	143
Share premium account		659,957	659,957
Profit and loss account		<u>(372,378)</u>	<u>(424,250)</u>
Shareholders funds		<u>287,722</u>	<u>235,850</u>

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

In accordance with section 444 of the Companies Act 2006, the profit and loss account has not been delivered.

For the year ending 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

These financial statements were approved by the board of directors and authorised for issue on 22 September 2021, and are signed on behalf of the board by:



S A Alington
Director

Company registration number: 10378647

The notes on pages 2 to 7 form part of these financial statements.

ETHOS FARM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 2 Crossways Business Centre, Bicester Road, Kingswood, Aylesbury, HP18 0RA, England.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

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

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

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and of Value Added Tax.

Income tax

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

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

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

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

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

ETHOS FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 10% straight line
Equipment	- 25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

ETHOS FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

3. Accounting policies *(continued)*

Government grants *(continued)*

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

ETHOS FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2020

3. Accounting policies *(continued)*

Financial instruments

Basic financial assets, which include trade and other receivables and bank balances, 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 estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Basic financial liabilities, which include trade and other payables, 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.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Research and development

Expenditure on research and development is written off as incurred.

Defined contribution plans

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

4. Employee numbers

The average number of persons employed by the company during the year amounted to 15 (2019: 10).

ETHOS FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2020

5. Tangible assets

	Land and buildings £	Equipment £	Total £
Cost			
At 1 January 2020	58,479	37,348	95,827
Disposals	(496)	(961)	(1,457)
At 31 December 2020	<u>57,983</u>	<u>36,387</u>	<u>94,370</u>
Depreciation			
At 1 January 2020	11,846	16,653	28,499
Charge for the year	5,798	9,277	15,075
Disposals	(99)	(661)	(760)
At 31 December 2020	<u>17,545</u>	<u>25,269</u>	<u>42,814</u>
Carrying amount			
At 31 December 2020	<u>40,438</u>	<u>11,118</u>	<u>51,556</u>
At 31 December 2019	<u>46,633</u>	<u>20,695</u>	<u>67,328</u>

6. Debtors

	2020 £	2019 £
Trade debtors	269,494	317,949
Other debtors	22,310	148,081
	<u>291,804</u>	<u>466,030</u>

Other debtors include £8,500 (2019: £8,500) due after more than one year.

7. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	25,914	6,779
Trade creditors	46,256	240,401
Social security and other taxes	67,928	20,018
Other creditors	80,143	165,632
	<u>220,241</u>	<u>432,830</u>

The bank overdraft is secured by a fixed and floating charge over the assets of the company.

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

	2020 £	2019 £
Bank loans and overdrafts	<u>224,086</u>	<u>—</u>

ETHOS FARM LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2020

9. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
A Ordinary shares of £0.01 each	10,000	100	10,000	100
B Ordinary shares of £0.01 each	<u>4,286</u>	<u>43</u>	<u>4,286</u>	<u>43</u>
	<u>14,286</u>	<u>143</u>	<u>14,286</u>	<u>143</u>

10. Operating leases and off balance sheet arrangements

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Not later than 1 year	17,000	17,000
Later than 1 year and not later than 5 years	68,000	68,000
Later than 5 years	<u>26,917</u>	<u>43,917</u>
	<u>111,917</u>	<u>128,917</u>

The lease relates to property.