

REGISTERED NUMBER: OC413499 (England and Wales)

Lower Hope Farms LLP
Unaudited Financial Statements
for the Year Ended 31 March 2018

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for the Year Ended 31 March 2018**

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Lower Hope Farms LLP

**General Information
for the Year Ended 31 March 2018**

DESIGNATED MEMBERS:

WSC Richards OBE KSG DL
Mrs SA Richards

REGISTERED OFFICE:

Lower Hope
Ullingswick
Hereford
HR1 3JF

REGISTERED NUMBER:

OC413499 (England and Wales)

ACCOUNTANTS:

The Hutchinson Partnership Limited
trading as The Hutchinson Partnership
Chartered Accountants
The Bull Pen
Amberley Court
Sutton St Nicholas
Hereford
Herefordshire
HR1 3BX

**Chartered Accountants' Report to the Members
on the Unaudited Financial Statements of
Lower Hope Farms LLP**

The following reproduces the text of the report prepared for the members in respect of the LLP's annual unaudited financial statements. In accordance with the Companies Act 2006, the LLP is only required to file a Balance Sheet. Readers are cautioned that the Profit and Loss Account and certain other primary statements and the Report of the Members are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, we have prepared for your approval the financial statements of Lower Hope Farms LLP for the year ended 31 March 2018 which comprise the Profit and Loss Account, Balance Sheet, Reconciliation of Members' Interests and the related notes from the LLP's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the members of Lower Hope Farms LLP, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Lower Hope Farms LLP and state those matters that we have agreed to state to the members of Lower Hope Farms LLP, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Lower Hope Farms LLP and its members, as a body, for our work or for this report.

It is your duty to ensure that Lower Hope Farms LLP has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Lower Hope Farms LLP. You consider that Lower Hope Farms LLP is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Lower Hope Farms LLP. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

The Hutchinson Partnership Limited
trading as The Hutchinson Partnership
Chartered Accountants
The Bull Pen
Amberley Court
Sutton St Nicholas
Hereford
Herefordshire
HR1 3BX

12 July 2018

Lower Hope Farms LLP (Registered number: OC413499)**Balance Sheet
31 March 2018**

		2018		2017	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	4	8,166,138		1,198,095	
Investment property	5	<u>1,595,000</u>		<u>-</u>	
		9,761,138		1,198,095	
CURRENT ASSETS					
Stocks		286,890		398,065	
Debtors	6	529,678		2,290,498	
Cash at bank and in hand		<u>28,253</u>		<u>2,919</u>	
		844,821		2,691,482	
CREDITORS					
Amounts falling due within one year	7	<u>1,308,512</u>		<u>1,332,773</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(463,691)</u>		<u>1,358,709</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			9,297,447		2,556,804
CREDITORS					
Amounts falling due after more than one year	8		<u>2,431,902</u>		<u>2,556,802</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS			<u>6,865,545</u>		<u>2</u>

The notes form part of these financial statements

Lower Hope Farms LLP (Registered number: OC413499)

Balance Sheet - continued
31 March 2018

	Notes	2018 £	£	2017 £	£
LOANS AND OTHER DEBTS DUE TO MEMBERS	12		6,865,543		-
MEMBERS' OTHER INTERESTS					
Capital accounts			<u>2</u>		<u>2</u>
			<u>6,865,545</u>		<u>2</u>
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members	12		6,865,543		-
Members' other interests			2		2
Amounts due from members	6		<u>-</u>		<u>(1,793,058)</u>
			<u>6,865,545</u>		<u>(1,793,056)</u>

The LLP is entitled to exemption from audit under Section 477 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 for the year ended 31 March 2018.

The members acknowledge their responsibilities for:

- ensuring that the LLP keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and
- (a) preparing financial statements which give a true and fair view of the state of affairs of the LLP as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 relating to financial statements, so far as applicable to the LLP.

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 relating to small LLPs.

In accordance with Section 444 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the Profit and Loss Account has not been delivered.

The financial statements were approved for issue by the members of the LLP on 8 July 2018 and were signed by:

WSC Richards OBE KSG DL - Designated member

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

1. STATUTORY INFORMATION

Lower Hope Farms LLP is registered in England and Wales. The LLP's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Going concern

At the period end the LLP has net current liabilities. The members are aware of this and have considered the financial requirements of the LLP and consider that it will be able to operate within its agreed finance facilities for the next 12 months and have agreed to introduce further funds if necessary. The members therefore consider it appropriate to prepare the accounts on the going concern basis.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 33% on cost, 20% on cost, 14% on cost and 4% on cost
Tractors and harvesters	- 33% on cost, 25% on cost and 14% on cost

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

The LLP has the following biological assets which are valued as disclosed :-

Livestock - valued at their estimated cost with reference to current market values

Crops in store - valued at their current market value

Growing crop - valued at the cost of inputs and cultivations up to the period end

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

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

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

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

Pension costs and other post-retirement benefits

The LLP operates a defined contribution pension scheme. Contributions payable to the LLP's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEE INFORMATION

The average number of employees during the year was 10 (2017 - 9) .

4. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Tractors and harvesters £	Totals £
COST				
At 1 April 2017	-	1,140,148	1,087,137	2,227,285
Additions	7,060,530	84,523	44,579	7,189,632
Disposals	-	(12,764)	(57,877)	(70,641)
At 31 March 2018	<u>7,060,530</u>	<u>1,211,907</u>	<u>1,073,839</u>	<u>9,346,276</u>
DEPRECIATION				
At 1 April 2017	-	416,220	612,970	1,029,190
Charge for year	1,521	93,891	105,933	201,345
Eliminated on disposal	-	(10,659)	(39,738)	(50,397)
At 31 March 2018	<u>1,521</u>	<u>499,452</u>	<u>679,165</u>	<u>1,180,138</u>
NET BOOK VALUE				
At 31 March 2018	<u>7,059,009</u>	<u>712,455</u>	<u>394,674</u>	<u>8,166,138</u>
At 31 March 2017	<u>-</u>	<u>723,928</u>	<u>474,167</u>	<u>1,198,095</u>

There is a debenture over all of the fixed assets.

The plant and machinery and tractors and harvesters were introduced in the prior period at their net book value on the cessation of the un-incorporated partnership, Lower Hope Farms. This year the cost of the assets has been increased to the original cost to Lower Hope Farms and the corresponding entry has increased the depreciation brought forward. Cost and depreciation brought forward for plant and machinery has increased by £381,795 and for tractors and harvesters by £553,176.

Freehold property additions includes £7,028,334 of assets introduced by the members.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

4. **TANGIBLE FIXED ASSETS - continued**

The net book value of tangible fixed assets includes £405,057 (2017 £450,001) in respect of assets held under hire purchase contracts.

5. **INVESTMENT PROPERTY**

	Total £
FAIR VALUE	
Additions	833,301
Revaluations	761,699
At 31 March 2018	<u>1,595,000</u>
NET BOOK VALUE	
At 31 March 2018	<u>1,595,000</u>

There is a debenture over the investment property.

Investment property additions include ££781,106 of assets introduced by members.

Fair value at 31 March 2018 is represented by:

	£
Valuation in 2018	761,699
Cost	833,301
	<u>1,595,000</u>

If investment property had not been revalued it would have been included at the following historical cost:

	2018 £	2017 £
Cost	<u>833,301</u>	<u>-</u>

Investment property was valued on an open market basis on 31 March 2018 by the members .

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

	2018 £	2017 £
Trade debtors	101,660	44,436
Prepayments and accrued income	7,115	15,026
Lower Hope Fruit Ltd current account	219,208	216,551
Related party loan debtors	197,000	197,000
Amounts due from members	-	1,793,058
VAT	4,695	24,427
	<u>529,678</u>	<u>2,290,498</u>

There is a debenture over all debtors.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2018

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 9)	1,026,947	1,034,899
Hire purchase contracts (see note 10)	92,877	98,363
Trade creditors	58,794	116,274
Social security and other taxes	9,219	10,075
Pension control	1,268	910
Accruals and deferred income	61,667	16,218
Intercompany loans	57,740	56,034
	<u>1,308,512</u>	<u>1,332,773</u>

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

	2018	2017
	£	£
Bank loans (see note 9)	2,285,473	2,383,732
Hire purchase contracts (see note 10)	146,429	173,070
	<u>2,431,902</u>	<u>2,556,802</u>

Amounts falling due in more than five years:

Repayable otherwise than by instalments
Bank loans

	<u>1,192,625</u>	<u>1,192,625</u>
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Repayable by instalments
Bank loans

	<u>662,327</u>	<u>705,998</u>
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9. LOANS

The principal terms of the loans are -

Year final repayment due by	Balance	Interest rate	Type
2019	£300,000	2.45% over base	Repayment
2022	£39,631	2.5% over base	Repayment
2030	£123,775	2.8% over base	Repayment
2030	£1,015,000	2.5% over base	Interest only
2033	£198,058	3.3% over base	Repayment
2036	£177,625	2% over base	Interest only
2038	£521,451	4% over base	Repayment

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2018**

10. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts 2018 £	2017 £
Net obligations repayable:		
Within one year	92,877	98,363
Between one and five years	<u>146,429</u>	<u>173,070</u>
	<u>239,306</u>	<u>271,433</u>
	Non-cancellable operating leases	
	2018 £	2017 £
Between one and five years	<u>161,355</u>	<u>-</u>

11. SECURED DEBTS

The following secured debts are included within creditors:

	2018 £	2017 £
Bank overdrafts	936,880	946,050
Bank loans	2,375,540	2,472,581
Hire purchase contracts	<u>239,306</u>	<u>271,433</u>
	<u>3,551,726</u>	<u>3,690,064</u>

The AMC loans are secured by a first charge over land and property at Lower Hope Farm.

The bank borrowings with HSBC are secured by a second charge over land and property at Lower Hope Farm.

Hire purchase liabilities are secured against the relevant asset.

12. LOANS AND OTHER DEBTS DUE TO MEMBERS

Loans and other debts due to members (other than members' capital classified as debt) rank after other creditors on winding up.

13. RELATED PARTY DISCLOSURES

The members own land and property that is utilised by the LLP.

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.