

Company Registration No. 05317612 (England and Wales)

**HOP FARM TRADING LTD**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

THURSDAY



A29 \*A11CLXCQ\* #260  
27/09/2012  
COMPANIES HOUSE

# HOP FARM TRADING LTD

## COMPANY INFORMATION

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<b>Directors</b>	Mr J R Elton	(Appointed 11 June 2012)
	Mr D J McGivern	(Appointed 11 June 2012)
	Mr G M L Gillon	(Appointed 11 June 2012)

<b>Secretary</b>	Mr M Dunbar
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<b>Company number</b>	05317612
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<b>Registered office</b>	23 St Leonards Road Bexhill-on-Sea East Sussex TN40 1HH
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<b>Auditors</b>	McPhersons CFG Limited 23 St Leonards Road Bexhill-on-Sea East Sussex TN40 1HH
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<b>Business address</b>	The Hop Farm Country Park Beltring Paddock Wood Kent TN12 6PY
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<b>Bankers</b>	Coutts & Co 440 Strand London WC2R 0QS
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# **HOP FARM TRADING LTD**

## **CONTENTS**

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	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Cash flow statement	8
Notes to the cash flow statement	9
Notes to the financial statements	10 - 17

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# **HOP FARM TRADING LTD**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2011**

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The directors present their report and financial statements for the year ended 31 December 2011

#### **Principal activities and review of the business**

The principal activity of the company continued to be that of operating a themed leisure and country park

The directors' aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. The directors' review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties faced by the company.

The directors consider the key financial performance indicators to be those that communicate the financial performance and strength of the company as a whole, these being turnover, gross profit percentage and net assets. The company's turnover has decreased 9.1% to £2,592,074 (2010 £2,853,639), however the gross profit percentage achieved was 37.2% (2010 26.4%) the improvement being realised after a significant review and planned further reduction of running costs. The net liabilities of the company at the balance sheet date were £6,718,071 (2010 £5,423,221). The results for the year and the financial position at the year end were as expected by the directors in the light of the current restructuring of the business activities and anticipated growth in the foreseeable future. Trading to date for 2012 and forecasts show that the business is heading towards profitability in the foreseeable future.

The company continues to face competition from other attractions in the surrounding area and the directors are aware of the need to invest in and respond to changes in expectations. Significant capital has been invested into the site and 'The Hop Farm' is now one of the largest and most popular attractions in Kent. Many large events are held each year and negotiations are ongoing to bring ever more high profile and exciting events to The Hop Farm. As a result of substantial recent investment and reorganisation the directors firmly believe that the group is well placed to achieve a substantial improvement in its financial performance within the next two years.

#### **Results and dividends**

The results for the year are set out on page 5.

The directors recommend that no dividend be paid for the year.

#### **Future developments**

The directors continue to review opportunities for future development and will expand the business as and when such opportunities will arise. Significant expenditure has been made in improving the site over the past five years and continued investment is planned into the foreseeable future.

#### **Directors**

The following directors have held office since 1 January 2011

Mrs D M Bull	(Resigned 20 June 2012)
Mr J R Elton	(Appointed 11 June 2012)
Ms T J Bull	(Resigned 20 June 2012)
Mr D J McGivern	(Appointed 11 June 2012)
Mr G M L Gillon	(Appointed 11 June 2012)
Mr D P Bull	(Resigned 15 February 2011)

# HOP FARM TRADING LTD

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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Charitable donations	2011 £	2010 £
During the year the company made the following payments		
Charitable donations	-	5,250

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### Auditors

In accordance with the company's articles, a resolution proposing that McPhersons CFG Limited be reappointed as auditors of the company will be put at a General Meeting

### Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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

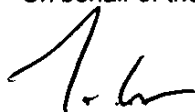
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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. 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.

### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr J R Elton

Director  
28.12.11

# **HOP FARM TRADING LTD**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF HOP FARM TRADING LTD**

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We have audited the financial statements of Hop Farm Trading Ltd for the year ended 31 December 2011 set out on pages 5 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed. In addition we read all the financial and non financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because the company had not maintained a sufficiently detailed record of capital expenditure to allow us to confirm the existence and title of tangible fixed assets.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# **HOP FARM TRADING LTD**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF HOP FARM TRADING LTD**

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#### **Basis for qualified opinion on financial statements**

With respect to tangible fixed assets having a net book value of £3,387,731, the audit evidence available to us was limited as detailed above. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding existence and title of the assets by using other audit procedures.

#### **Qualified opinion on financial statements arising from limitation in audit scope**

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss 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

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

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

In respect solely of the limitation on our work relating to tangible fixed assets referred to above

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- we were unable to determine whether adequate accounting records had been maintained

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

- returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made

**Mr Mark Finch ACA FCCA (Senior Statutory Auditor)**  
for and on behalf of McPhersons CFG Limited

26/9/12

**Chartered Accountants**  
**Statutory Auditor**

23 St Leonards Road  
Bexhill-on-Sea  
East Sussex  
TN40 1HH

## HOP FARM TRADING LTD

### PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 £	2010 £
Turnover	2	2,592,074	2,853,639
Cost of sales		(1,629,038)	(2,098,956)
Gross profit		963,036	754,683
Administrative expenses		(2,114,347)	(2,447,799)
Operating loss	3	(1,151,311)	(1,693,116)
Impairment of Fixtures & Fittings		(126,275)	-
Loss on ordinary activities before interest		(1,277,586)	(1,693,116)
Other interest receivable and similar income	4	-	80
Interest payable and similar charges	5	(17,264)	(48,942)
Loss on ordinary activities before taxation		(1,294,850)	(1,741,978)
Tax on loss on ordinary activities	6	-	-
Loss for the year	14	(1,294,850)	(1,741,978)

The profit and loss account has been prepared on the basis that all operations are continuing operations



## **HOP FARM TRADING LTD**

### **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2011**

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	<b>Notes</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Loss for the financial year</b>		(1,294,850)	(1,741,978)
<b>Prior year adjustment</b>	<b>14</b>	-	(451,376)
		<hr/>	<hr/>
<b>Total gains and losses recognised since last financial statements</b>		(1,294,850)	(2,193,354)
		<hr/>	<hr/>

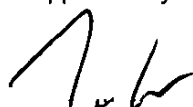
# HOP FARM TRADING LTD

## BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Tangible assets	7	3,387,731	3,918,471
<b>Current assets</b>			
Stocks	8	39,256	36,906
Debtors	9	412,708	364,729
Cash at bank and in hand		29,193	36,189
		<u>481,157</u>	<u>437,824</u>
<b>Creditors. amounts falling due within one year</b>	10	<u>(3,438,584)</u>	<u>(5,186,541)</u>
<b>Net current liabilities</b>		<u>(2,957,427)</u>	<u>(4,748,717)</u>
<b>Total assets less current liabilities</b>		430,304	(830,246)
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(7,148,375)</u>	<u>(4,592,975)</u>
		<u>(6,718,071)</u>	<u>(5,423,221)</u>
<b>Capital and reserves</b>			
Called up share capital	13	1,500,400	1,500,400
Share premium account	14	357,947	357,947
Profit and loss account	14	<u>(8,576,418)</u>	<u>(7,281,568)</u>
<b>Shareholders' funds</b>	15	<u>(6,718,071)</u>	<u>(5,423,221)</u>

Approved by the Board and authorised for issue on 25 Dec 11

  
Mr J R Elton  
Director

Company Registration No 05317612

# HOP FARM TRADING LTD

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	£	2011 £	£	2010 £
<b>Net cash outflow from operating activities</b>		(749,781)		(851,239)
<b>Returns on investments and servicing of finance</b>				
Interest received	-		80	
Interest paid	(17,123)		(48,372)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(17,123)		(48,292)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(182,543)		(241,113)	
Receipts from sales of tangible assets	53,500		87,527	
<b>Net cash outflow for capital expenditure</b>		(129,043)		(153,586)
<b>Net cash outflow before management of liquid resources and financing</b>		(895,947)		(1,053,117)
<b>Financing</b>				
Other new long term loans	2,555,400		1,038,848	
Capital element of hire purchase contracts	(5,765)		(7,306)	
<b>Net cash inflow from financing</b>		2,549,635		1,031,542
<b>Increase/(decrease) in cash in the year</b>		1,653,688		(21,575)

# HOP FARM TRADING LTD

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

1	Reconciliation of operating loss to net cash outflow from operating activities	2011	2010
		£	£
	Operating loss	(1,151,311)	(1,693,116)
	Depreciation of tangible assets	411,021	452,587
	Loss/(profit) on disposal of tangible assets	122,487	(4,955)
	(Increase)/decrease in stocks	(2,350)	2,219
	(Increase)/decrease in debtors	(47,979)	151,217
	(Decrease)/Increase in creditors within one year	(81,649)	240,809
	<b>Net cash outflow from operating activities</b>	<b>(749,781)</b>	<b>(851,239)</b>

2	Analysis of net debt	1 January 2011	Cash flow	Other non-cash changes	31 December 2011
		£	£	£	£
	Net cash				
	Cash at bank and in hand	36,189	(6,996)	-	29,193
	Bank overdrafts	(1,965,297)	1,660,684	-	(304,613)
		<u>(1,929,108)</u>	<u>1,653,688</u>	<u>-</u>	<u>(275,420)</u>
	Bank deposits	-	-	-	-
	Debt				
	Finance leases	(5,765)	5,765	-	-
	Debts falling due after one year	(4,592,975)	(2,555,400)	-	(7,148,375)
	<b>Net debt</b>	<b><u>(6,527,848)</u></b>	<b><u>(895,947)</u></b>	<b><u>-</u></b>	<b><u>(7,423,795)</u></b>

3	Reconciliation of net cash flow to movement in net debt	2011	2010
		£	£
	Increase/(decrease) in cash in the year	1,653,688	(21,575)
	Cash inflow from increase in debt and lease financing	(2,549,635)	(1,031,542)
	<b>Movement in net debt in the year</b>	<b>(895,947)</b>	<b>(1,053,117)</b>
	Opening net debt	(6,527,848)	(5,474,731)
	<b>Closing net debt</b>	<b><u>(7,423,795)</u></b>	<b><u>(6,527,848)</u></b>

# HOP FARM TRADING LTD

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2011

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#### 1 Accounting policies

##### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company incurred a loss for the year of £1,294,850. Cumulative trading losses at the balance sheet date amounted to £8,576,418. The loss for the year was expected by the directors. The directors have budgeted a much improved cash position for the year ended 31 December 2012 and expect to become profitable soon thereafter.

Significant investment has been made by the company in its trading assets over the last five years. The directors are confident that this investment will enable the company to achieve profitability as stated above.

The company has also undergone a recent restructuring of its bank financing and maintains a good relationship with its bankers.

In the short and medium term the ability of the company to continue to trade is dependent upon the continued support of the company's bankers, the holding company, Hop Farm Real Estate Limited, and of the former director and ultimate controlling party, Mr D P Bull, who has indicated that his support, and that of the holding company, will continue to be forthcoming. The directors are therefore satisfied that the going concern basis remains appropriate and the financial statements have been prepared on this basis.

##### 1.2 Turnover

Turnover represents customer receipts from admissions, concessions, catering and corporate hospitality and events, plus rental income from land and property, net of VAT. Uninvoiced work undertaken for customers at the year end is accrued at full retail value.

##### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	35 years straight line
Plant and machinery	15% reducing balance
Livestock	15% reducing balance
Fixtures, fittings & equipment	15% straight line
Motor vehicles	25% reducing balance

##### 1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### 1.5 Stock

Stock is valued at the lower of cost and net realisable value.

# HOP FARM TRADING LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

### 1 Accounting policies (continued)

#### 1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating loss	2011 £	2010 £
Operating loss is stated after charging		
Depreciation of tangible assets	411,021	452,587
Loss on disposal of tangible assets	122,487	-
Operating lease rentals	200,250	483,751
Auditors' remuneration (including expenses and benefits in kind)	8,000	12,000
and after crediting		
Profit on disposal of tangible assets	-	(4,955)

4 Investment income	2011 £	2010 £
Bank interest	-	80
	-	80

5 Interest payable	2011 £	2010 £
On bank loans and overdrafts	17,123	48,372
Hire purchase interest	141	570
	17,264	48,942

# HOP FARM TRADING LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2011

6	Taxation	2011	2010
	Total current tax	-	-
		<u>          </u>	<u>          </u>
	<b>Factors affecting the tax charge for the year</b>		
	Loss on ordinary activities before taxation	(1,294,850)	(1,741,978)
		<u>          </u>	<u>          </u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2010 - 0.00%)	-	-
		<u>          </u>	<u>          </u>
	<b>Current tax charge for the year</b>	-	-
		<u>          </u>	<u>          </u>

The company has estimated losses of £ 6,652,112 (2010 - £ 5,952,871) available for carry forward against future trading profits

Based on these accounts there is no tax liability for the current or previous year

# HOP FARM TRADING LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

### 7 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2011	2,703,467	690,277	1,967,895	33,293	5,394,932
Additions	70,467	33,735	76,691	1,650	182,543
Disposals	-	-	(279,204)	-	(279,204)
At 31 December 2011	2,773,934	724,012	1,765,382	34,943	5,298,271
<b>Depreciation</b>					
At 1 January 2011	261,769	273,116	919,233	22,343	1,476,461
On disposals	-	-	(103,217)	-	(103,217)
Charge for the year	76,420	67,635	390,091	3,150	537,296
At 31 December 2011	338,189	340,751	1,206,107	25,493	1,910,540
<b>Net book value</b>					
At 31 December 2011	2,435,745	383,261	559,275	9,450	3,387,731
At 31 December 2010	2,441,698	417,162	1,048,662	10,949	3,918,471

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £	Motor vehicles £	Total £
<b>Net book values</b>			
At 31 December 2011	-	-	-
At 31 December 2010	18,724	2,799	21,523
<b>Depreciation charge for the year</b>			
At 31 December 2011	-	-	-
At 31 December 2010	3,304	933	4,237



# HOP FARM TRADING LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

8	Stocks	2011 £	2010 £
	Finished goods and goods for resale	39,256	36,906

9	Debtors	2011 £	2010 £
	Trade debtors	86,827	69,173
	Other debtors	266,238	290,357
	Prepayments and accrued income	59,643	5,199
		412,708	364,729

10	Creditors amounts falling due within one year	2011 £	2010 £
	Bank loans and overdrafts	304,613	1,965,297
	Net obligations under hire purchase contracts	-	5,765
	Trade creditors	118,934	36,981
	Amounts owed to parent and fellow subsidiary undertakings	2,805,829	2,977,853
	Taxes and social security costs	43,770	4,299
	Other creditors	51,293	46,850
	Accruals and deferred income	114,145	149,496
		3,438,584	5,186,541

The bank overdraft is secured by Coutts & Co by way of a mortgage debenture over all of the company's assets. In addition there is a cross guarantee from Hop Farm Real Estates Ltd, the parent company and personal guarantees from the former director and ultimate controlling party Mr D P Bull amounting to £2,000,000

### Net obligations under hire purchase contracts

Repayable within one year	-	5,765
Finance charges and interest allocated to future accounting periods	-	-
	-	5,765

# HOP FARM TRADING LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

<b>11 Creditors amounts falling due after more than one year</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Other loans	7,148,375	4,592,975
	<u>7,148,375</u>	<u>4,592,975</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	7,148,375	4,592,975
	<u>7,148,375</u>	<u>4,592,975</u>
	<u>7,148,375</u>	<u>4,592,975</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	7,148,375	4,592,975
	<u>7,148,375</u>	<u>4,592,975</u>
<b>12 Pension and other post-retirement benefit commitments</b>		
<b>Defined contribution</b>		
	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Contributions payable by the company for the year	-	600
	<u>-</u>	<u>600</u>
<b>13 Share capital</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
400 ordinary shares of £1 each	400	400
1,500,000 non-cumulative redeemable preference shares of £1 each	1,500,000	1,500,000
	<u>1,500,400</u>	<u>1,500,400</u>
	<u>1,500,400</u>	<u>1,500,400</u>
<b>14 Statement of movements on reserves</b>		
	<b>Share premium account</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
Balance at 1 January 2011	357,947	(7,281,568)
Loss for the year	-	(1,294,850)
	<u>357,947</u>	<u>(8,576,418)</u>
Balance at 31 December 2011	<u>357,947</u>	<u>(8,576,418)</u>

# HOP FARM TRADING LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

15 Reconciliation of movements in shareholders' funds	2011 £	2010 £
Loss for the financial year	(1,294,850)	(1,741,978)
Opening shareholders' funds	(5,423,221)	(3,681,243)
Closing shareholders' funds	<u>(6,718,071)</u>	<u>(5,423,221)</u>

### 16 Financial commitments

At 31 December 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2012

	Land and buildings	
	2011 £	2010 £
Operating leases which expire in over five years	<u>400,000</u>	<u>400,000</u>

### 17 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Permanent staff	32	41
Casual staff	97	61
	<u>129</u>	<u>102</u>

#### Employment costs

	2011 £	2010 £
Wages and salaries	913,834	1,078,506
Social security costs	67,983	75,026
Other pension costs	-	600
	<u>981,817</u>	<u>1,154,132</u>

# HOP FARM TRADING LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2011

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#### 18 Control

The ultimate parent company is Hop Farm Real Estate Ltd. The ultimate controlling party is Mr D P Bull, who owns 100% share capital in Hop Farm Real Estate Ltd.

#### 19 Related party relationships and transactions

During the year the company was charged rent of £174,000 (2010 £400,000) by Hop Farm Real Estate Ltd, its parent company.

During the year the company was charged exhibit rental of £26,250 (2010 £83,751) by Yesterday's World Ltd, a company owned by the ultimate controlling party Mr D P Bull.

During the year the company traded with GB Adventure Ltd, a company majority owned by the ultimate controlling party Mr D P Bull, as follows, sales £44,910 (2010 £41,712), purchases £10,444 (2010 £66,544). A debtor of £33,220 due from GB Adventure Ltd was written off during the year.

At the balance sheet date £7,148,375 (2010 £4,592,975) was owed to D P Bull, this loan is interest free and there are no set repayment charges.

At the balance sheet date the following balances were outstanding with connected companies:

	£ 2011	£ 2010
<b>Debtors</b>		
Yesterday's World Ltd	255,760	243,596
GB Adventure Ltd	5,442	20,129
GB Adventure Ltd - Trade Debtor	-	15,032
	<u>261,202</u>	<u>278,757</u>
 <b>Creditors.</b>		
Hop Farm Real Estate Ltd	2,805,829	2,977,853
	<u>2,805,829</u>	<u>2,977,853</u>