

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016

HERON FARMS LIMITED

MENZIES

HERON FARMS LIMITED

COMPANY INFORMATION

| | |
|-------------------|---|
| Directors | Mr M J C Hawkes Mrs D F C Hawkes Mr A G Bark |
| Company secretary | Mr M J C Hawkes |
| Registered number | 00857485 |
| Registered office | Centrum House 36 Station Road Egham Surrey TW20 9LF |
| Business address | Plum Tree Cottage Chart Lane South Dorking Surrey RH5 4DA |
| Accountants | Menzies LLP Chartered Accountants Centrum House 36 Station Road Egham Surrey TW20 9LF |
| Bankers | National Westminster Bank Plc 14 High Street Dorking Surrey RH4 1AX |

HERON FARMS LIMITED

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HERON FARMS LIMITED

REGISTERED NUMBER:00857485

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

| | Note | 2016 £ | 2015 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 4 | 181,189 | 238,105 |
| | | <u>181,189</u> | <u>238,105</u> |
| Current assets | | | |
| Stocks | 5 | 145,667 | 155,024 |
| Debtors: amounts falling due within one year | 6 | 19,630 | 58,101 |
| Cash at bank and in hand | | 1,688 | 843 |
| | | <u>166,985</u> | <u>213,968</u> |
| Creditors: amounts falling due within one year | 7 | (1,034,672) | (1,059,665) |
| Net current liabilities | | <u>(867,687)</u> | <u>(845,697)</u> |
| Total assets less current liabilities | | <u>(686,498)</u> | <u>(607,592)</u> |
| Creditors: amounts falling due after more than one year | 8 | (52,175) | (78,943) |
| Provisions for liabilities | | | |
| Deferred tax | | (22,200) | (28,750) |
| | | <u>(22,200)</u> | <u>(28,750)</u> |
| Net liabilities | | <u><u>(760,873)</u></u> | <u><u>(715,285)</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 100 | 100 |
| Share premium account | | 42,728 | 42,728 |
| Profit and loss account | | (803,701) | (758,113) |
| | | <u><u>(760,873)</u></u> | <u><u>(715,285)</u></u> |

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

HERON FARMS LIMITED
REGISTERED NUMBER:00857485

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2016

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr M J C Hawkes
Director

Mr A G Bark
Director

Date: 31 August 2017

The notes on pages 3 to 8 form part of these financial statements.

HERON FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

The company is limited by shares and incorporated in England. The address of the principal place of business is given in the company information page of these financial statements. The company's principal activity is farming.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The going concern basis has been used for the preparation of these financial statements. The company is dependent on the support of Bizy Investments Limited and of M J C Hawkes and D F C Hawkes, who are directors of both companies and together with other members of the family are the ultimate shareholders. These parties have confirmed intentions to support the company on a long term basis.

2.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Farm income and rent receivable are recognised when due. Investment income is recognised when received.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | | |
|-------------------------------|---|----------------------|
| Short-term leasehold property | - | 12.5% Straight line |
| Plant and machinery | - | 10-25% Straight line |
| Motor vehicles | - | 20% Straight line |
| Fixtures and fittings | - | 20% Straight line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

HERON FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.5 Stocks

Stocks and cultivations are valued by an independent expert valuer based on an inspection and information and explanations provided. Valuation is made at the lower of cost and net realisable value using the accepted conventions to arrive at deemed cost where actual costs are not accurately ascertainable (HMRC IR 232).

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

HERON FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

HERON FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2015 - 3).

4. Tangible fixed assets

| | Leasehold improvements £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|--|--------------------------------|-----------------------------|---------------------|-------------------------------|------------|
| Cost or valuation | | | | | |
| At 1 January 2016 | 486,940 | 432,999 | 21,750 | 7,397 | 949,086 |
| Additions | - | - | - | 455 | 455 |
| At 31 December 2016 | 486,940 | 432,999 | 21,750 | 7,852 | 949,541 |
| Depreciation | | | | | |
| At 1 January 2016 | 419,119 | 271,031 | 13,950 | 6,881 | 710,981 |
| Charge for the year on owned assets | 25,231 | 8,633 | 2,600 | 378 | 36,842 |
| Charge for the year on financed assets | - | 20,529 | - | - | 20,529 |
| At 31 December 2016 | 444,350 | 300,193 | 16,550 | 7,259 | 768,352 |
| Net book value | | | | | |
| At 31 December 2016 | 42,590 | 132,806 | 5,200 | 593 | 181,189 |
| At 31 December 2015 | 67,821 | 161,968 | 7,800 | 516 | 238,105 |

Included within the net book value of £181,189 is £104,921 (2015 - £125,450) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £20,529 (2015 - £20,529).

5. Stocks

| | 2016 £ | 2015 £ |
|-------------------------------------|----------------|----------------|
| Finished goods and goods for resale | 145,667 | 155,024 |
| | <u>145,667</u> | <u>155,024</u> |

HERON FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

6. Debtors

| | 2016 £ | 2015 £ |
|--------------------------------|---------------|---------------|
| Other debtors | 13,622 | 18,081 |
| Prepayments and accrued income | 6,008 | 40,020 |
| | <u>19,630</u> | <u>58,101</u> |

7. Creditors: Amounts falling due within one year

| | 2016 £ | 2015 £ |
|---|------------------|------------------|
| Bank overdrafts | 11,281 | 33,106 |
| Trade creditors | 5,257 | 2,960 |
| Amounts owed to group undertakings | 810,702 | 823,054 |
| Other taxation and social security | 2,285 | 2,152 |
| Obligations under finance lease and hire purchase contracts | 28,106 | 28,106 |
| Other creditors | 159,157 | 158,807 |
| Accruals and deferred income | 17,884 | 11,480 |
| | <u>1,034,672</u> | <u>1,059,665</u> |

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

| | 2016 £ | 2015 £ |
|--|---------------|---------------|
| Net obligations under finance leases and hire purchase contracts | 52,175 | 78,943 |
| | <u>52,175</u> | <u>78,943</u> |

9. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

| | 2016 £ | 2015 £ |
|-------------------|---------------|----------------|
| Within one year | 28,106 | 28,106 |
| Between 2-5 years | 52,175 | 78,943 |
| | <u>80,281</u> | <u>107,049</u> |

HERON FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

10. Deferred taxation

| | 2016 £ |
|---------------------------|------------------------|
| At beginning of year | (28,750) |
| Charged to profit or loss | 6,550 |
| At end of year | <u>(22,200)</u> |

The provision for deferred taxation is made up as follows:

| | 2016 £ |
|--------------------------------|------------------------|
| Accelerated capital allowances | (22,200) |
| | <u>(22,200)</u> |

11. Related party transactions

The company is party to an operating lease in respect of farmland used for the purposes of its business. Such land is subject to a rolling 6 month lease for which it is charged a notional rent by the landlord, Heronland Limited, a company under common control.

12. Ultimate parent company

The parent and ultimate parent company is Bizy Investments Limited, a company registered in England and Wales. Mr M J C Hawkes and Mrs D F C Hawkes and their family control Bizy Investments Limited.