

Company Registration No. 00890325 (England and Wales)

OLCHON FARMS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

PAGES FOR FILING WITH REGISTRAR

OLCHON FARMS LIMITED

COMPANY INFORMATION

DIRECTORS	Mr B J Dixon Mrs M F Dixon
SECRETARY	Mr D E Swingwood
COMPANY NUMBER	00890325
REGISTERED OFFICE	19 Highfield Road Edgbaston Birmingham B15 3BH
ACCOUNTANTS	JW Hinks LLP Chartered Accountants 19 Highfield Road Edgbaston Birmingham B15 3BH

OLCHON FARMS LIMITED

CONTENTS

	PAGE
Balance sheet	1 - 2
Notes to the financial statements	3 - 9

OLCHON FARMS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

		2017	2016
	Notes	£	£
FIXED ASSETS			
Tangible assets	2	1,300,748	1,301,235
Investments	3	1,588,319	1,551,967
		<u>2,889,067</u>	<u>2,853,202</u>
CURRENT ASSETS			
Stocks		1,578	1,506
Debtors	4	-	1,971
Cash at bank and in hand		66,706	12,666
		<u>68,284</u>	<u>16,143</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	5	(897,787)	(859,171)
NET CURRENT LIABILITIES		<u>(829,503)</u>	<u>(843,028)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,059,564</u>	<u>2,010,174</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	6	-	(4,575)
PROVISIONS FOR LIABILITIES		<u>(138,561)</u>	<u>(141,867)</u>
NET ASSETS		<u>1,921,003</u>	<u>1,863,732</u>
CAPITAL AND RESERVES			
Called up share capital	7	200	200
Profit and loss reserves		1,920,803	1,863,532
TOTAL EQUITY		<u>1,921,003</u>	<u>1,863,732</u>

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

For the financial year ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

OLCHON FARMS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2017

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.

These financial statements have been prepared and delivered 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 19 December 2017 and are signed on its behalf by:

Mr B J Dixon

DIRECTOR

COMPANY REGISTRATION NO. 00890325

OLCHON FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 ACCOUNTING POLICIES

COMPANY INFORMATION

Olchon Farms Limited is a private company limited by shares incorporated in England and Wales. The registered office is 19 Highfield Road, Edgbaston, Birmingham, B15 3BH.

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.

These financial statements for the year ended 31 March 2017 are the first financial statements of Olchon Farms Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 9.

1.2 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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 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.

OLCHON FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 ACCOUNTING POLICIES

(Continued)

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:

Land and buildings Freehold	Not provided for
Fixtures, fittings & equipment	10% Straight line
Motor vehicles	20% Straight line

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 credited or charged to profit or loss.

1.4 IMPAIRMENT OF FIXED ASSETS

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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.

1.5 STOCKS

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

OLCHON FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 ACCOUNTING POLICIES

(Continued)

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.

1.6 CASH AND CASH EQUIVALENTS

Cash at bank and in hand 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.

1.7 FINANCIAL INSTRUMENTS

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

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 company 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.

OLCHON FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 ACCOUNTING POLICIES

(Continued)

1.8 EQUITY INSTRUMENTS

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

1.9 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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 when the company has 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.

1.10 INVESTMENT PROPERTIES

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

OLCHON FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

2 TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery etc	Total
	£	£	£
COST			
At 1 April 2016 and 31 March 2017	1,300,000	25,046	1,325,046
DEPRECIATION AND IMPAIRMENT			
At 1 April 2016	-	23,811	23,811
Depreciation charged in the year	-	487	487
At 31 March 2017	-	24,298	24,298
CARRYING AMOUNT			
At 31 March 2017	1,300,000	748	1,300,748
At 31 March 2016	1,300,000	1,235	1,301,235

3 FIXED ASSET INVESTMENTS

	2017	2016
	£	£
Investments	1,588,319	1,551,967

MOVEMENTS IN FIXED ASSET INVESTMENTS

	Investments other than loans
	£
COST OR VALUATION	
At 1 April 2016	1,551,967
Valuation changes	48,352
Disposals	(12,000)
At 31 March 2017	1,588,319
CARRYING AMOUNT	
At 31 March 2017	1,588,319
At 31 March 2016	1,551,967

OLCHON FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

4 DEBTORS

	2017	2016
	£	£
AMOUNTS FALLING DUE WITHIN ONE YEAR:		
Other debtors	-	1,971
	=====	=====

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts	3,031	16,185
Corporation tax	9,600	11,000
Other taxation and social security	2,213	1,815
Other creditors	882,943	830,171
	=====	=====
	897,787	859,171
	=====	=====

Bank loan with Svenska Handelsbanken AB (publ) in respect of the purchase of the company's investment property, is secured by fixed and floating charge over the undertaking and all property and assets present and future. The loan was cleared post 31st March 2017 and the fixed and floating charge has been removed.

6 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts	-	4,575
	=====	=====

7 CALLED UP SHARE CAPITAL

	2017	2016
	£	£
ORDINARY SHARE CAPITAL		
ISSUED AND FULLY PAID		
2,000 Ordinary of 10p each	200	200
	=====	=====
	200	200
	=====	=====

8 RECONCILIATIONS ON ADOPTION OF FRS 102

OLCHON FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

8 RECONCILIATIONS ON ADOPTION OF FRS 102 (Continued)

RECONCILIATION OF EQUITY

		1 April 2015	31 March 2016
	Notes	£	£
Equity as reported under previous UK GAAP		716,106	1,619,482
Adjustments arising from transition to FRS 102:			
Revaluation of property	1	1,036,993	244,250
Equity reported under FRS 102		<u>1,753,099</u>	<u>1,863,732</u>

RECONCILIATION OF PROFIT FOR THE FINANCIAL PERIOD

		2016
	Notes	£
Profit as reported under previous UK GAAP		35,761
Adjustments arising from transition to FRS 102:		
Revaluation of property	1	74,872
Profit reported under FRS 102		<u>110,633</u>

NOTES TO RECONCILIATIONS ON ADOPTION OF FRS 102

REVALUATION OF PROPERTY

At the transition date, the reserves of the company were increased by £1,036,993, this being the increase in value of investment properties, net of deferred tax.

During the year to 31 March 2016, one of the properties had been revalued, subsequently the increase in valuation upon transition to FRS102 is £244,250, being the increase in value of other properties, net of deferred tax.

The profit for the year to 31 March 2016 was increased by £74,872, being the increase on property valuation in the year, net of deferred tax.

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.