

Registered number: 1547510

Sorbietrees Farm Limited

Unaudited

Financial statements

Information for filing with the registrar

For the Year Ended 30 November 2017



Sorbietrees Farm Limited
Registered number: 1547510

Statement of Financial Position
As at 30 November 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	675,430	679,775
Investments	6	2,514,214	2,265,887
		<u>3,189,644</u>	<u>2,945,662</u>
Current assets			
Stocks	7	152,996	169,663
Debtors: amounts falling due within one year	8	23,424	22,679
Cash at bank and in hand	9	52,117	68,463
		<u>228,537</u>	<u>260,805</u>
Creditors: amounts falling due within one year	10	(463,678)	(515,368)
Net current liabilities		<u>(235,141)</u>	<u>(254,563)</u>
Total assets less current liabilities		<u>2,954,503</u>	<u>2,691,099</u>
Creditors: amounts falling due after more than one year	11	(99,245)	(108,113)
Net assets		<u><u>2,855,258</u></u>	<u><u>2,582,986</u></u>
Capital and reserves			
Called up share capital	15	106	106
Share premium account	16	59,997	59,997
Profit and loss account	16	2,795,155	2,522,883
		<u><u>2,855,258</u></u>	<u><u>2,582,986</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.

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

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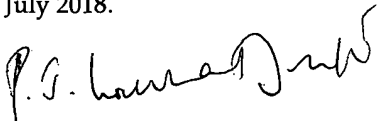
Statement of Financial Position (continued)
As at 30 November 2017

Statement of Financial Position (continued)
As at 30 November 2017

subject to the small companies regime.

The Company has opted not to file the income statement 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 on 26 July 2018.



P J Lockhart Smith
Director

The notes on pages 5 to 15 form part of these financial statements.

Sorbietrees Farm Limited

Statement of Changes in Equity
For the Year Ended 30 November 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1st December 2016	106	59,997	2,522,883	2,582,986
Comprehensive income for the year				
Profit for the year	-	-	23,945	23,945
Unrealised surplus on revaluation of fixed asset investments	-	-	248,327	248,327
Total comprehensive income for the year	-	-	272,272	272,272
Total transactions with owners	-	-	-	-
At 30th November 2017	106	59,997	2,795,155	2,855,258

The notes on pages 5 to 15 form part of these financial statements.

Sorbietrees Farm Limited

Statement of Changes in Equity
For the Year Ended 30 November 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1st December 2015	106	59,997	2,242,594	2,302,697
Comprehensive income for the year				
Profit for the year	-	-	94,472	94,472
Unrealised surplus on revaluation of fixed asset investments	-	-	185,817	185,817
Total comprehensive income for the year	-	-	280,289	280,289
Total transactions with owners	-	-	-	-
At 30th November 2016	106	59,997	2,522,883	2,582,986

The notes on pages 5 to 15 form part of these financial statements.

1. General information

Sorbietrees Farm Limited is incorporated in England & Wales, number 1547510 and its registered office is at The Dower House, Tintinhull, Somerset BA22 8PZ. Its principal activities are to conduct businesses in farming and property services and to hold equity in associated companies.

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 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Notes to the Financial Statements
For the Year Ended 30th November 2017

2. Accounting policies (continued)

2.3 Operating leases: the Company as lessee

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

2.4 Finance costs

Finance costs are charged to the Income Statement 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.

2.5 Borrowing costs

All borrowing costs are recognised in the Income Statement in the year in which they are incurred.

2.6 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, as shown below..

Depreciation is provided on the following basis:

Freehold property	-	10%	on a straight line basis on building costs
Building improvements	-	10%	on a straight line basis
Plant and machinery	-	15%	on a reducing balance basis
Motor vehicles	-	20%	on a reducing balance basis
Office equipment	-	25%	on a straight line basis

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 Income Statement.

2.7 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Income Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Notes to the Financial Statements
For the Year Ended 30th November 2017

2. Accounting policies (continued)

2.8 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.9 Stocks

Stocks substantially comprise biological assets that are included at the lower of cost and estimated selling price less costs to sell.

2.10 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.

2.11 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.

2.12 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.

2.13 Financial instruments

The Company only enters into basic financial instrument 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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The company makes estimates concerning the cost and selling price attributable to the company's biological assets.

4. Employees

The average monthly number of employees, including directors, during the year was 4 (2016 -4).

Sorbietrees Farm Limited

Notes to the Financial Statements
For the Year Ended 30th November 2017

5. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Project in progress £
Cost or valuation					
At 1 December 2016	658,563	111,216	35,195	-	49,527
Additions	2,631	3,375	-	446	8,547
At 30th November 2017	661,194	114,591	35,195	446	58,074
Depreciation					
At 1 December 2016	102,661	47,948	24,117	-	-
Charge for the year on owned assets	7,021	4,348	920	111	-
Charge for the year on financed assets	-	5,648	1,296	-	-
At 30th November 2017	109,682	57,944	26,333	111	-
Net book value					
At 30th November 2017	551,512	56,647	8,862	335	58,074
At 30th November 2016	555,902	63,268	11,078	-	49,527

Notes to the Financial Statements
For the Year Ended 30th November 2017

5. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 December 2016	854,501
Additions	14,999
At 30th November 2017	<u>869,500</u>
Depreciation	
At 1 December 2016	174,726
Charge for the year on owned assets	12,400
Charge for the year on financed assets	6,944
At 30th November 2017	<u>194,070</u>
Net book value	
At 30th November 2017	<u>675,430</u>
At 30th November 2016	<u>679,775</u>

The net book value of land and buildings may be further analysed as follows:

	2017 £	2016 £
Freehold	551,512	555,902
	<u>551,512</u>	<u>555,902</u>

Sorbietrees Farm Limited

Notes to the Financial Statements
For the Year Ended 30th November 2017

6. Fixed asset investments

	Investments in associates £
Cost or valuation	
At 1 December 2016	2,265,887
Revaluations	248,327
At 30th November 2017	<u>2,514,214</u>
Net book value	
At 30th November 2017	<u>2,514,214</u>
At 30th November 2016	<u>2,265,887</u>

Participating interests

Associates

Name	Country of incorporation	Class of shares	Holding	Principal activity
Sorbietrees Underwriting Limited	England & Wales	Ordinary	30%	Lloyds Underwriting
Acrefield Limited	England & Wales	Ordinary	50%	Property investment
Acrefield Investments Limited	England & Wales	Ordinary	50%	Property investment
Acrefield Land Limited	England & Wales	Ordinary	50%	Property investment

7. Stocks

	2017 £	2016 £
Biological assets	152,996	169,663
	<u>152,996</u>	<u>169,663</u>

Sorbietrees Farm Limited

Notes to the Financial Statements
For the Year Ended 30th November 2017

8. Debtors

	2017 £	2016 £
Trade debtors	2,026	-
Amounts owed by joint ventures and associated undertakings	1,530	1,530
Other debtors	15,796	18,226
Prepayments and accrued income	1,149	-
Tax recoverable	2,923	2,923
	<u>23,424</u>	<u>22,679</u>

9. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	52,117	68,463
	<u>52,117</u>	<u>68,463</u>

10. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	4,752	4,600
Trade creditors	9,056	7,198
Amounts owed to joint ventures and associated undertakings	143,852	143,852
Other taxation and social security	-	1,804
Obligations under finance lease and hire purchase contracts	4,012	12,759
Other creditors	246,422	297,353
Accruals and deferred income	55,584	47,802
	<u>463,678</u>	<u>515,368</u>

The company has an overdraft facility of £30,000 secured by a personal guarantee given by a director.

Notes to the Financial Statements
For the Year Ended 30th November 2017

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

	2017 £	2016 £
Bank loans	97,106	101,962
Net obligations under finance leases and hire purchase contracts	2,139	6,151
	<u>99,245</u>	<u>108,113</u>

The loan from the Agricultural Mortgage Association commenced in 2011 is secured on freehold property.

12. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	4,752	4,600
	<u>4,752</u>	<u>4,600</u>
Amounts falling due 1-2 years		
Bank loans	4,800	4,800
	<u>4,800</u>	<u>4,800</u>
Amounts falling due 2-5 years		
Bank loans	10,000	15,000
	<u>10,000</u>	<u>15,000</u>
Amounts falling due after more than 5 years		
Bank loans	82,306	82,162
	<u>82,306</u>	<u>82,162</u>
	<u>101,858</u>	<u>106,562</u>

Notes to the Financial Statements
For the Year Ended 30th November 2017

13. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	4,012	12,759
Between 1-5 years	2,139	4,012
Over 5 years	-	2,139
	<u>6,151</u>	<u>18,910</u>

14. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>75,541</u>	<u>91,142</u>
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	<u>562,923</u>	<u>623,481</u>

Financial assets measured at fair value through profit or loss comprise monetary assets.

Financial liabilities measured at fair value through profit or loss comprise monetary liabilities.

15. Share capital

	2017 £	2016 £
Authorised		
45,000 Ordinary A shares of £0.02 each	900	900
5,000 Ordinary B shares of £0.02 each	100	100
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
5,162 Ordinary A shares of £0.02 each	103	103
154 Ordinary B shares of £0.02 each	3	3
	<u></u>	<u></u>

Notes to the Financial Statements
For the Year Ended 30th November 2017

15. Share capital (continued)

	106	106
	<u>106</u>	<u>106</u>

Class A shares carry voting rights, but no entitlement to dividends, rights or bonus issues, and in the event of a winding up or liquidation no entitlement to any return of assets in excess of the original investment.

Class B carry rights of notice, attendance and participation in meetings of the company (excepting the appointment of directors) but no entitlement to voting rights.

16. Reserves

Share premium account

The share premium account represents proceeds from the issue of shares in excess of the nominal value of shares issued.

Profit and loss account

The profit and loss account represents accumulated profits after tax and distributions since the inception of the company.

17. Contingent liabilities

The company has granted a guarantee on a facility obtained by Sorbietrees Underwriting Limited (note 9) under which the latter company provides its Funds at Lloyds guarantee from the company's bankers. The maximum amount at risk under this guarantee is £750,000 and the obligation to the company's bankers is secured by a charge on certain land and buildings.

18. Capital commitments

At 30th November 2017 the Company had capital commitments as follows:

	2017 £	2016 £
Contracts for capital expenditure not provided in these financial statements	27,000	10,000
	<u>27,000</u>	<u>10,000</u>

Notes to the Financial Statements
For the Year Ended 30th November 2017

19. Related party transactions

Debtors (note 8) includes an amount of £1,530 recoverable in respect of one the participating interests Acrefield Investments Limited) (note 6). At the balance sheet date, £1,670 was due to (2016 £5,304 due to) the trustees of the pension scheme. An amount of £ 11,728 is owing by Stonegarthside Hall Settlement, a connected party trust at 30th November 2017 (2016 £11,728). The company has granted a guarantee on a facility obtained by Sorbietrees Underwriting Limited under which the latter company provides its Funds at Lloyds guarantee from the company's bankers. The maximum amount at risk under this guarantee is £750,000 and the obligation to the company's bankers is secured by a charge on certain land and buildings. Sorbietrees Underwriting Limited pays a fee/profit share to Sorbietrees Farm Limited at a market rate to reflect this contribution to its business. At 30th November 2017, an amount of £143,852 (2015 £143,852) was owing to Sorbietrees Underwriting Limited (Note 10). Interest on this loan is being accrued at 3% over bank base rate and is repayable on demand. At the balance sheet date, there was an amount of £ 244,752 (2016 £ 292,049) due to the directors (Note 10). Short term grazing agreements have been entered into with Stonegarthside Hall Settlement incurring a cost to the company of £2,000 per annum. The personal guarantee to secure the overdraft facility of £30,000 (note 15) has been given by Mr P J Lockhart Smith.

20. Controlling party

The company is controlled by four members of the Lockhart Smith family each of whom hold less than 30% of the voting shares in the company.