

HONINGHAM FARMS LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2021

HONINGHAM FARMS LTD

COMPANY INFORMATION

Directors	I J Alston J T Alston
Company secretary	I J Alston
Registered number	02627934
Registered office	Honingham Thorpe Farm Honingham Norwich Norfolk NR9 5BZ
Accountants	MA Partners LLP Chartered Accountants 7 The Close Norwich Norfolk NR1 4DJ

HONINGHAM FARMS LTD

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HONINGHAM FARMS LTD

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF HONINGHAM FARMS LTD FOR THE YEAR ENDED 31 MARCH 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Honingham Farms Ltd for the year ended 31 March 2021 which comprise the Balance Sheet and the related notes from the Company'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 at <https://www.icaew.com/regulation>.

This report is made solely to the Board of Directors of Honingham Farms Ltd, as a body, in accordance with the terms of our engagement letter dated 29 June 2018. Our work has been undertaken solely to prepare for your approval the financial statements of Honingham Farms Ltd and state those matters that we have agreed to state to the Board of Directors of Honingham Farms Ltd, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Honingham Farms Ltd and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Honingham Farms Ltd 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 loss of Honingham Farms Ltd. You consider that Honingham Farms Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Honingham Farms Ltd. 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.

MA Partners LLP

Chartered Accountants

7 The Close

Norwich

Norfolk

NR1 4DJ

26 October 2021

HONINGHAM FARMS LTD
REGISTERED NUMBER: 02627934

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	7,308,480	7,328,003
Investments	5	157,948	157,948
		<u>7,466,428</u>	<u>7,485,951</u>
Current assets			
Stocks		52,795	63,138
Debtors: amounts falling due within one year	6	378,078	372,872
Cash at bank and in hand		-	73,480
		<u>430,873</u>	<u>509,490</u>
Creditors: amounts falling due within one year	7	(982,319)	(1,073,731)
Net current liabilities		<u>(551,446)</u>	<u>(564,241)</u>
Total assets less current liabilities		<u>6,914,982</u>	<u>6,921,710</u>
Creditors: amounts falling due after more than one year	8	(1,000,000)	(1,000,000)
Provisions for liabilities			
Deferred tax		(887,868)	(887,868)
Net assets		<u><u>5,027,114</u></u>	<u><u>5,033,842</u></u>
Capital and reserves			
Called up share capital		100	100
Revaluation reserve	9	5,029,132	5,029,132
Profit and loss account	9	(2,118)	4,610
		<u><u>5,027,114</u></u>	<u><u>5,033,842</u></u>

HONINGHAM FARMS LTD
REGISTERED NUMBER: 02627934

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

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 the 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 subject to the small companies regime.

The Company has opted not to file the profit and loss account 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 October 2021.

I J Alston
Director

The notes on pages 4 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. General information

The Company is a private company limited by shares. It is both incorporated and domiciled in England and Wales. The registered office address, and principal place of activity of the company is Honingham Thorpe Farm, Honingham, Norwich, Norfolk NR9 5BZ.

The company's principal activity continues to be that of farming.

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

Turnover comprises revenue recognised by the company in respect of crops sold, rents and grants receivable, exclusive of Value Added Tax.

Revenue is recognised in the following manner:-

- Crops sold - on physical delivery to the customer;
- Rents - amounts receivable in the year;
- Grants income - in the year when the qualifying conditions entitling payment are met.

2.3 Finance costs

Finance costs are charged to profit or loss 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.

2.4 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 balance sheet 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 Balance Sheet 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 balance sheet date.

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, on the basis set out below.

Depreciation is provided on the following basis:

Freehold land	- Not depreciated
Property improvements	- 5% & 15% reducing balance

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 profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.7 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks and closing valuation for cultivations (work in progress) are valued at the lower of cost and net realisable value. Costs have been determined from cost of production calculations. Net realisable value represents estimated selling price for produce in store with values reduced in accordance with guidance within H M Revenue & Customs help sheet HS232. Consumable stocks are valued at cost.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.13 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 profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet 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 Balance Sheet.

2.14 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 ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2020 - 2).

HONINGHAM FARMS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. **Tangible fixed assets**

	Freehold property & improvements £
Cost or valuation	
At 1 April 2020	7,444,034
	<hr/>
	7,444,034
At 31 March 2021	<hr/>
Depreciation	
At 1 April 2020	116,032
	19,522
Charge for the year on owned assets	<hr/>
	135,554
At 31 March 2021	<hr/>
Net book value	
At 31 March 2021	<u>7,308,480</u>
At 31 March 2020	<u>7,328,003</u>

5. **Fixed asset investments**

	Other fixed asset investments £
Cost or valuation	
At 1 April 2020	157,948
	<hr/>
At 31 March 2021	<u>157,948</u>

HONINGHAM FARMS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. Debtors

	2021	2020
	£	£
Trade debtors	285,564	228,473
Other debtors	92,514	144,399
	<u>378,078</u>	<u>372,872</u>

7. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	87,341	97,869
Other taxation and social security	10,642	-
Other creditors	884,336	975,862
	<u>982,319</u>	<u>1,073,731</u>

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

	2021	2020
	£	£
Bank loans	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

The bank loans are secured by mortgage debenture and a legal charge over property.

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	2021	2020
	£	£
Repayable other than by instalments	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Reserves

Revaluation reserve

The revaluation reserve represents the cumulative value of revaluations of the company's freehold property to fair value. Deferred tax has been provided for on the difference between the cost and the fair value of the freehold property adjusted for indexation allowance.

Profit & loss account

The profit and loss account includes all current and prior period retained profits and losses.

10. Contingent liabilities

The Company is party to a cross guarantee in relation to the bank facilities provided to Ebony Holdings Ltd, Alston Farms Ltd, William Young (Dereham) Ltd and Food Enterprise Park Ltd.

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.