
APOL SILVA & ORCHARDS LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 JANUARY 2022

APOL SILVA & ORCHARDS LIMITED
REGISTERED NUMBER: 03066977

BALANCE SHEET
AS AT 31 JANUARY 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	5	14,874,775	14,360,089
Investments	6	2,303,997	1,504,598
Investment property	7	347,457	347,457
		<u>17,526,229</u>	<u>16,212,144</u>
Current assets			
Debtors: amounts falling due within one year	8	1,344,898	704,002
Cash at bank and in hand	9	136,230	3,351,945
		<u>1,481,128</u>	<u>4,055,947</u>
Creditors: amounts falling due within one year	10	(6,796,211)	(8,408,938)
		<u>(5,315,083)</u>	<u>(4,352,991)</u>
Net current liabilities			
		<u>(5,315,083)</u>	<u>(4,352,991)</u>
Total assets less current liabilities			
		<u>12,211,146</u>	<u>11,859,153</u>
Creditors: amounts falling due after more than one year	11	(273,405)	(576,739)
Provisions for liabilities			
Deferred tax	13	(7,391)	(7,391)
		<u>(7,391)</u>	<u>(7,391)</u>
Net assets			
		<u>11,930,350</u>	<u>11,275,023</u>
Capital and reserves			
Called up share capital	14	2	2
Revaluation reserve	15	3,904,567	3,904,567
Profit and loss account	15	8,025,781	7,370,454
		<u>11,930,350</u>	<u>11,275,023</u>

APOL SILVA & ORCHARDS LIMITED
REGISTERED NUMBER: 03066977

BALANCE SHEET (CONTINUED)
AS AT 31 JANUARY 2022

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 comprehensive income 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 24 October 2022.

Mr S J O'Leary
Director

The notes on pages 3 to 16 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

1. General information

Apol Silva & Orchards Limited ("the Company") is a Company limited by shares, incorporated in England and Wales. Its registered office is Leytonstone House, Hanbury Drive, London, E11 1GA. The principal activities of the company are those of property rental and apple sales.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of O'Leary Group Limited as at 31 January 2022 and these financial statements may be obtained from Online House, 240 Freshwater Road, Chadwell Heath, Essex, RM8 1RX

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

2. Accounting policies (continued)

2.3 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.

Property rentals

Rental income from operating leases is recognised on a straight line basis over the term of the lease unless the lease payments are structured to increase in line with expected general inflation in which case the income is recognised as revenue in accordance with the expected payments. Rental income is generated from fixed assets and investment properties and is recognised within turnover.

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.

Land is not depreciated. Depreciation on other assets 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 annual basis:

Freehold land and buildings	- See 2.5 and 2.6
Leasehold improvements	- 5% straight line
Plant and machinery	- 25% straight line
Other fixed assets	- 10% 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 profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

2. Accounting policies (continued)

2.5 Freehold land and buildings

Freehold buildings are not depreciated on the grounds that the depreciation amount would be immaterial given the estimated remaining useful economic life of the buildings.

The treatment is a departure from the Companies Act 2006, but is necessary in order for the financial statements to show and true and fair view.

The difference to the accounts from this treatment instead of that laid down by the Companies Act 2006 is immaterial.

2.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried 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 the Statement of 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.

2.7 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.8 Valuation of investments

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.9 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.

2.10 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

2. Accounting policies (continued)

2.11 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.

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 comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

2.12 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 JANUARY 2022

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.14 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.

2.15 Operating leases: the Company as lessor

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

2.16 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

2. Accounting policies (continued)

2.17 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.18 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.19 Borrowing costs

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

2.20 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

2. Accounting policies (continued)

2.21 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.

2.22 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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

Critical judgements in applying the entity's accounting policies

No significant judgements have had to be made by management in preparing these financial statements.

Critical accounting estimates and assumptions

(i) The annual depreciation charge for tangible fixed assets is sensitive to changes in estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on the technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 5 for the carrying amount of the property, plant and equipment, and note 2.4 for useful economic lives for each class of assets.

(ii) Deferred taxation on revalued property is calculated using current tax rates and after allowing for indexation since acquisition. The directors consider the estimated impact of deferred taxation on the revalued property not to be material to the accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

4. Employees

The average monthly number of employees, including directors, during the year was 3 (2021 - 3).

5. Tangible fixed assets

	Freehold property £	Plant and machinery £	Other fixed assets £	Total £
Cost or valuation				
At 1 February 2021	14,273,165	436,518	48,269	14,757,952
Additions	591,871	6,394	37	598,302
At 31 January 2022	14,865,036	442,912	48,306	15,356,254
Depreciation				
At 1 February 2021	167,332	182,262	48,269	397,863
Charge for the year on owned assets	15,410	68,202	4	83,616
At 31 January 2022	182,742	250,464	48,273	481,479
Net book value				
At 31 January 2022	14,682,294	192,448	33	14,874,775
At 31 January 2021	14,105,833	254,256	-	14,360,089

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

5. Tangible fixed assets (continued)

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

	2022 £	2021 £
Freehold	14,682,294	14,105,833
	<u>14,682,294</u>	<u>14,105,833</u>

The land and buildings are included at the director's estimate of the open market values for existing use as at 31 January 2022.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2022 £	2021 £
Cost	10,960,468	10,368,597
Net book value	<u>10,960,468</u>	<u>10,368,597</u>

6. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 February 2021	1,504,598
Additions	2,936,640
Disposals	(2,137,241)
At 31 January 2022	<u>2,303,997</u>

The market value of the listed investments at 31 January 2022 was £2,366,202 (2021 - £1,500,509).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

7. Investment property

	Freehold investment property £
Valuation	
At 1 February 2021	347,457
At 31 January 2022	347,457

The directors consider the investment property values above are not materially different from the market value at the balance sheet date.

Rental income generated from these investment properties in the year amounted to £55,463 (2021 - £14,564).

The 2022 valuations were made by the directors, on an open market value for existing use basis.

8. Debtors

	2022 £	2021 £
Trade debtors	74,472	64,021
Amounts owed by group undertakings	164,287	634,490
Other debtors	1,106,139	5,491
	1,344,898	704,002

9. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	136,230	3,351,945

APOL SILVA & ORCHARDS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

10. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank loans	37,227	273,248
Trade creditors	468,045	607,657
Amounts owed to group undertakings	4,536,158	4,096,458
Corporation tax	135,078	243,217
Other taxation and social security	155,065	1,059,991
Obligations under finance lease and hire purchase contracts	-	19,394
Other creditors	868,081	1,609,916
Accruals and deferred income	596,557	499,057
	<u>6,796,211</u>	<u>8,408,938</u>

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

	2022	2021
	£	£
Bank loans	273,405	576,739
	<u>273,405</u>	<u>576,739</u>

Secured loans

A debenture is in place over all the assets of the Company. A cross corporate guarantee of £1,200,000 is in place. There is a first legal charge over units 2-5 and 6, 240 Freshwater Road, Essex.

An unlimited guarantee from a connected party is in place in respect of a bank loan. There is also a legal charge over the property The Marquis of Cornwallis, Upper Street, Layham, Ipswich, Suffolk, IP7 5JZ.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

12. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	37,227	273,248
Amounts falling due 1-2 years		
Bank loans	37,226	324,560
Amounts falling due 2-5 years		
Bank loans	111,679	111,679
Amounts falling due after more than 5 years		
Bank loans	124,500	140,500
	<u>310,632</u>	<u>849,987</u>

APOL SILVA & ORCHARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

13. Deferred taxation

	2022 £	2021 £
At beginning of year	(7,391)	(7,391)
At end of year	(7,391)	(7,391)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(7,391)	(7,391)
	(7,391)	(7,391)

14. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
2 (2021 - 2) Ordinary shares of £1.00 each	2	2

15. Reserves

Revaluation reserve

The revaluation reserve represents the cumulative revaluation gains and losses which have arisen in respect of tangible fixed assets, inclusive of any consideration of deferred tax.

Profit and loss account

The profit and loss account consists of distributable reserves arising from cumulative historical profits and losses less any distributions made.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

16. Contingent liabilities

The Company is involved in a number of legal disputes, all of which are ongoing and the outcomes of which are unknown at this stage. On the basis of evidence available, the directors do not believe that any of the potential liabilities are probable and therefore no provision has been made in the accounts in accordance with FRS 102 section 21. The Group is also involved in a regulatory dispute which is expected to result in a probable future economic outflow. This obligation has been currently estimated at £1,753,258 and has been provided for in the consolidated financial statements of the ultimate parent undertaking as an exceptional item. It is impossible at this stage to determine reliably the proportion of this group economic outflow that applies to the company individually, and as such no provision has been made in these company financial statements. There are likely to be additional economic outflows in connection with this matter, but these cannot be estimated reliably at this stage either and as such no provision has been made in accordance with section 21.12 of FRS 102.

17. Post balance sheet events

Subsequent to the year end, the company obtained loans of £11,600,000 which have been secured against property owned by the company.

18. Controlling party

The Company is under control of the O'Leary family, by virtue of the ownership of the majority of the equity shares issued in O'Leary Group Limited, the parent Company, a Company registered in England and Wales.

O'Leary Group Limited prepares consolidated financial statements, copies of which can be obtained from Online House, 240 Freshwater Road, Chadwell Heath, Essex, RM8 1RX.

19. Auditor's information

The auditor's report on the financial statements for the year ended 31 January 2022 was unqualified.

The audit report was signed on 18 January 2023 by Adam Dodds (Senior statutory auditor) on behalf of Barnes Roffe LLP.

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.