

CHALDEAN ESTATE LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2018



CHALDEAN ESTATE LIMITED
REGISTERED NUMBER: 03449063

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	5	14,009,164	13,743,807
Investments	6	164,138	158,164
		<u>14,173,302</u>	<u>13,901,971</u>
CURRENT ASSETS			
Stocks	7	614,576	784,293
Debtors: amounts falling due within one year	8	276,795	299,201
Cash at bank and in hand	9	147,831	184,959
		<u>1,039,202</u>	<u>1,268,453</u>
Creditors: amounts falling due within one year	10	(6,188,729)	(1,799,313)
NET CURRENT LIABILITIES		<u>(5,149,527)</u>	<u>(530,860)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,023,775</u>	<u>13,371,111</u>
Creditors: amounts falling due after more than one year	11	(1,465,292)	(5,757,715)
PROVISIONS FOR LIABILITIES			
Deferred tax	13	(8,397)	(6,900)
NET ASSETS		<u><u>7,550,086</u></u>	<u><u>7,606,496</u></u>
CAPITAL AND RESERVES			
Called up share capital		6,631,108	6,631,108
Profit and loss account		918,978	975,388
		<u><u>7,550,086</u></u>	<u><u>7,606,496</u></u>

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 D Morrison
Director

Date: 31/7/19

The notes on pages 2 to 11 form part of these financial statements.

CHALDEAN ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

The Company is a private company limited by shares and is incorporated in England and Wales. The address of its Registered Office is The Old Grain Store, Bromley Lane, Much Hadham, Hertfordshire, SG10 6HU.

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 functional currency of the company is Pound Sterling.

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.

2.3 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Income and Retained Earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.4 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.

CHALDEAN ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.5 BORROWING COSTS

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

2.6 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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 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 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.

2.8 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.

CHALDEAN ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.8 TANGIBLE FIXED ASSETS (continued)

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:

Freehold property	- 1% - 2.5% straight line
Plant & machinery	- 5% - 20% straight line
Motor vehicles	- 25% 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.

2.9 VALUATION OF INVESTMENTS

The Company's investment in joint ventures is stated at cost plus share of profit, less and diminution in value.

Credit is taken for the company's share of joint venture profit as it accrues based on the joint venture's accounts.

2.10 ASSOCIATES AND JOINT VENTURES

Associates and Joint Ventures are held at cost less impairment.

2.11 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Crops are valued based on tonnage at 75% of future selling price.

Growing seed crops are stated at the cost of seeds, fertilizers and sprays applied and the costs of preparing the land.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 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.

2.13 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.

CHALDEAN ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.14 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.

2.15 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 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.

2.16 FINANCIAL INSTRUMENTS

The Company 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.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 8 (2017 - 8).

CHALDEAN ESTATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. TAXATION

	2018 £	2017 £
Current tax on profits for the year	-	13,043
Adjustments in respect of previous periods	(13,043)	-
TOTAL CURRENT TAX	<u>(13,043)</u>	<u>13,043</u>
DEFERRED TAX		
Origination and reversal of timing differences	31,268	(2,438)
Changes to tax rates	48	1,045
Unclaimed losses	(29,819)	15,259
TOTAL DEFERRED TAX	<u>1,497</u>	<u>13,866</u>
TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	<u>(11,546)</u>	<u>26,909</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
(Loss)/profit on ordinary activities before tax	(67,956)	34,541
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.75%)	(12,912)	6,649
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	333	2,397
Capital allowances for year in excess of depreciation	(404)	3,440
Adjustments to tax charge in respect of prior periods	-	13,600
Non-taxable income	(1,135)	-
Re-measurement of deferred tax - change in UK tax rate	2,572	823
TOTAL TAX CHARGE FOR THE YEAR	<u>(11,546)</u>	<u>26,909</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

CHALDEAN ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

5. TANGIBLE FIXED ASSETS

	Freehold property £	Other fixed assets £	Total £
Cost or valuation			
At 1 January 2018	13,940,664	628,431	14,569,095
Additions	263,416	58,191	321,607
Disposals	-	(6,995)	(6,995)
At 31 December 2018	<u>14,204,080</u>	<u>679,627</u>	<u>14,883,707</u>
Depreciation			
At 1 January 2018	397,671	427,617	825,288
Charge for the year on owned assets	17,575	38,675	56,250
Disposals	-	(6,995)	(6,995)
At 31 December 2018	<u>415,246</u>	<u>459,297</u>	<u>874,543</u>
Net book value			
At 31 December 2018	<u>13,788,834</u>	<u>220,330</u>	<u>14,009,164</u>
At 31 December 2017	<u>13,542,993</u>	<u>200,814</u>	<u>13,743,807</u>

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

	2018 £	2017 £
Freehold	<u>13,788,834</u>	<u>13,542,993</u>

The cost of depreciable assets included within Land and Buildings as at 31 December 2018 amounted to £1,212,059 (2017 - £948,643)

CHALDEAN ESTATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. FIXED ASSET INVESTMENTS

	Investment in joint ventures £
Cost or valuation	
At 1 January 2018	158,164
Share of profit/(loss)	5,974
At 31 December 2018	<u>164,138</u>

	Net assets / (liabilities) at 31 December 2018 £	Net profit / (loss) for the year ended 5 April 2018 £
Gilston Crop Management LLP (33% holding)	<u>542,879</u>	<u>17,923</u>

7. STOCKS

	2018 £	2017 £
Crops in store	360,352	552,961
Growing crops	176,668	188,963
Stores	77,556	42,369
	<u>614,576</u>	<u>784,293</u>

8. DEBTORS

	2018 £	2017 £
Trade debtors	54,983	133,151
Other debtors	212,922	158,689
Prepayments and accrued income	8,890	7,361
	<u>276,795</u>	<u>299,201</u>

CHALDEAN ESTATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	147,831	184,959

10. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Bank loans	4,293,904	91,850
Other loans	642,184	642,184
Trade creditors	90,422	63,978
Corporation tax	-	13,043
Other taxation and social security	21,126	28,671
Other creditors	1,123,694	941,170
Accruals and deferred income	17,399	18,417
	<u>6,188,729</u>	<u>1,799,313</u>

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

	2018 £	2017 £
Bank loans	1,465,292	5,757,715

Secured loans

The bank loans are secured on land held in the company's name.

CHALDEAN ESTATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. LOANS

Analysis of the maturity of loans is given below:

	2018 £	2017 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	4,293,904	91,850
Other loans	642,184	642,184
	<u>4,936,088</u>	<u>734,034</u>
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	397,757	388,836
AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS		
Bank loans	1,067,535	5,368,879
	<u>6,401,380</u>	<u>6,491,749</u>

13. DEFERRED TAXATION

	2018 £	2017 £
At beginning of year	(6,900)	6,966
Charged to profit or loss	(1,497)	(13,866)
AT END OF YEAR	<u>(8,397)</u>	<u>(6,900)</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(70,007)	(38,738)
Tax losses carried forward	61,657	31,838
Pension surplus	(47)	-
	<u>(8,397)</u>	<u>(6,900)</u>

CHALDEAN ESTATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,245 (2017 - £1,899). The amount owed to the pension scheme at the year end was £281 (2017 - £NIL).

The company also made pension contributions in the year of £3,575 (2017 - £3,451) into employee's personal pension plans.

15. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed on 04/09/2019 by Andrew Booth (Senior Statutory Auditor) on behalf of Price Bailey LLP.