

Company Registration No. 01515256 (England and Wales)  
3824

**Holker Holdings Limited**

**Annual report and  
group financial statements  
for the year ended 31 March 2019**

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## Holker Holdings Limited

### Company information

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**Directors**

Lord Cavendish  
Lady Cavendish  
The Hon Miss Lucy Cavendish  
Peter Bostock  
Allen Gibb  
David Sarti

**Company number** 01515256

**Registered office**

Cavendish House  
Kirkby-in-Furness  
Cumbria  
LA17 7UN

**Independent auditor**

Saffery Champness LLP  
Mitre House  
North Park Road  
Harrogate  
North Yorkshire  
HG1 5RX

**Solicitors**

Currey & Co LLP  
33 Queen Anne Street  
London  
W1G 9HY

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## **Holker Holdings Limited**

### **Strategic report**

**For the year ended 31 March 2019**

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The directors present the strategic report for the year ended 31 March 2019.

#### **Review of the Business**

The principal activity of the company continued to be that of a holding company, the activities of which include Holker Estates Co. Limited, Cartmel Steeplechases (Holker) Limited, Holbeck Homes Limited and Vitagrass Farms (Holker) Limited.

The 2018/19 financial year was positive on many fronts for Holker Holdings Limited despite a reduction on turnover of £0.1m or 1.4% from £8.1m in the previous financial year to £8.0m in 2018/19. Most business units showed good growth, combining to add an additional turnover of £0.9m, however, this was offset by the very limited activity in Holbeck Homes Ltd for the third year, with sales revenue reducing by £1m since the prior year to £42k. Holbeck Homes is currently in the process of pursuing consents at a number of development sites and revenue streams in this entity are expected to come on stream in 2020/21.

Profit after Taxation is reported at £251k, an increase from the £100k reported in 2017/18. Underlying business performance accounts for circa £60k of this growth, with the balance coming from gains in investment fair values and disposal of investments, which were partially offset by £47k of prior year tax adjustments in 2017/18 that were not repeated in 2018/19.

Operating profit increased from £104k in the prior year to £171k. Overheads were relatively stable, which allowed most of the gross profit gain to be realised. As previously mentioned, all of the non-house build businesses showed growth in sales revenue, combining to deliver improved gross profit, rising to £4.9m for the 2018/19 financial year, compared to £4.8m in 2017/18, despite the £1m reduction from Holbeck Homes Ltd.

Cartmel Steeplechase (Holker) Limited, returned to growth rates of 18% (5% FY18, 20% FY17 and 18% FY16). The racecourse hosted four meetings and nine race days in total and the quality of racing on offer continued to improve with more household names, improvement in the class of entrants and greater High Street betting shop presence. Attendances were strong and the facilities on offer continued on their journey of year on year improvement. Non-race day activities continue to benefit from detailed strategic focus and the racecourse's vital role in Cartmel village life endures.

Following on from the concert performed last year by Sir Tom Jones to 18,000 racegoers, Boyzone took to the stage at our June concert day. The concert is a popular date in the Cartmel race calendar and supports the local business community and will be repeated in future years.

As programmed, Holker's house building enterprise, Holbeck Homes Limited, experienced a very quiet year with revenue activity down from £1,051k in 2017/18 to £47k in the current year. Considerable work continues to bring forward future developments within the significant Holker Group and Trust land bank although revenue will not materialise before the 2020/21 reporting period.

Holker's in-hand farming operation had an excellent year, aided by better climatic conditions compared with the prior year, such that turnover increased to £448k from £317k in the prior year and £381k in the year preceding that. The increased revenue aided profit generation, with profit after tax increasing to £105k from £22k in the prior year. We continue with our long term plans to develop the quality of in-hand land, which will lead to future increased yields.

Prior to the accounts being signed the Directors became aware of a legal case brought against Holker Estates Co. Limited by the South Lakes District Council. The Directors have therefore disclosed a contingent liability, details of which can be found in note 30(f).

**Strategic report (continued)**

**For the year ended 31 March 2019**

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**Principal risks and uncertainties**

The principal risks facing the business are economic, environmental and social. A hugely attractive customer proposition encouraged attendances at Cartmel Racecourse, with favourable weather conditions throughout much of the 2018 season improving revenue against 2017, a factor that also exerted an increase in yields from the Vitagrass farming operation. Management teams across the business are acutely aware of risk and conditions are monitored regularly to ensure adequate plans are in place to cope with uncertainty.

**Position of the Company at the Year End**

Holker Holdings Limited closed the year with a strong balance sheet. Diversity is one of the main strengths of the business and with positive opportunities for growth in the housing development, farming, horse-racing and leisure sectors, confidence is strong and expectations for continued growth delivering financial success are firmly in place.

**Key performance indicators**

Turnover reduced in the year by 1.4%, however, strong sales growth of 12.5% was delivered in all of the business units that were active in the financial year. Holbeck Homes delivered £47k revenue in FY19 versus £1.1m in FY18.

Cost of Sales as a percentage of turnover dropped from 41.4% in the prior year to 39.0% in the current year. This reduction was driven by the mix change caused by the lack of sales revenue in Holbeck Homes Ltd, which had a cost of sale of 80% in the prior year on revenue of £1.1m. Cartmel did see an increase in the cost of sales, with race day expenses increasing to 65.9% of turnover compared with 57.5% in the prior year, this was primarily due to the exceptionally dry weather, which resulted in additional track and site maintenance costs.

The operating profit margin improved 0.8% in 2018 to 2.1%, prior year 1.3%, mainly driven by the change in cost of sales as a percentage of revenue, with admin expenses increasing by only 1.2% which is less than 1% of sales revenue.

Profit after tax margin increased to 3.1% in 2018 versus 1.2% in 2017, a change of 1.9%, the additional margin beyond operating margin was mainly driven by the beneficial impact of investment disposals and fair value adjustments.

The board are satisfied with performance and remain confident of the company's ability to meet bank, interest, finance and other creditor charges as due.

#### Future developments

With continued improvements to the track, hospitality and visitor facilities at Cartmel delivering strong fields of runners across all four race meetings during the year, the Steeplechase business continues to grow. In addition, Cartmel is committed to the music event at the racecourse and improvement of equine, camping and tourism facilities. We shall continue to capitalise on the 400 capacity marquee during the summer months and supported by events such as the Cumbria Tourism Awards.

Leisure and Tourism activities are positive with plans being developed to further improve the caravan parks and develop the tourism, wedding and restaurant business at Holker Hall. Renewed focus will be placed on travel trade, visitor and leisure activities in future and the business will sympathetically develop commercial opportunities through a more fully resourced strategic business structure.

Development activities for Holbeck Homes Limited will remain low key until renewed building activity in 2020. Until then, significant work will take place to bring forward new developments and obtain detailed planning consents. The directors of Holker Holdings Limited are confident that prospects for the business remain extremely positive.

On behalf of the board



Allen Gibb

Director

9 December 2019

## **Holker Holdings Limited**

### **Directors' report**

**For the year ended 31 March 2019**

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The directors present their annual report and financial statements for the year ended 31 March 2019.

#### **Principal activities**

The principal activity of the company continued to be that of a holding company.

The activities of the group included the operation of Holker Hall and Gardens, the letting and management of domestic, industrial and agricultural land, holiday park management, operation of a horse racecourse, conference and events facility, house building and farming.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Lord Cavendish  
Lady Cavendish  
The Hon Miss Lucy Cavendish  
Peter Bostock  
Allen Gibb  
David Sarti

#### **Results and dividends**

The results for the year are set out on page 10.

No dividends have been paid or declared during the year.

#### **Financial instruments**

##### ***Financial Risk***

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors, loans to the business and finance lease agreements. The main purpose of these instruments is to finance the business' operations.

In respect of the bank balance, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

#### **Auditor**

Saffery Champness LLP have expressed their willingness to continue in office.

**Holker Holdings Limited**

**Directors' report (continued)**

**For the year ended 31 March 2019**

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**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Allen Gibb  
**Director**

9 December 2019



**Directors' responsibilities statement**  
**For the year ended 31 March 2019**

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent auditor's report**

**To the members of Holker Holdings Limited**

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**Opinion**

We have audited the financial statements of Holker Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's* responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Independent auditor's report (continued)**  
**To the members of Holker Holdings Limited**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Independent auditor's report (continued)**  
**To the members of Holker Holdings Limited**

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**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

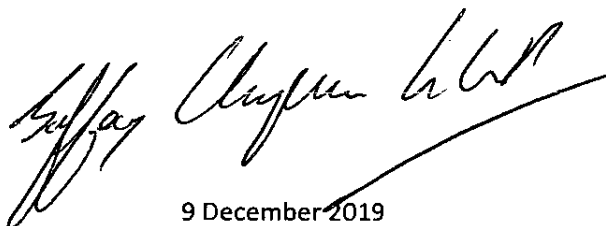
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Martin Holden (Senior Statutory Auditor)**  
**for and on behalf of Saffery Champness LLP**



9 December 2019

**Chartered Accountants**  
**Statutory Auditors**

Mitre House  
North Park Road  
Harrogate  
North Yorkshire  
HG1 5RX

**Holker Holdings Limited**

**Group statement of comprehensive income**

**For the year ended 31 March 2019**

		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	8,035,823	8,149,022
Cost of sales		(3,135,118)	(3,371,979)
<b>Gross profit</b>		<b>4,900,705</b>	<b>4,777,043</b>
Administrative expenses		(4,789,544)	(4,732,927)
Other operating income		59,604	59,604
<b>Operating profit</b>	<b>4</b>	<b>170,765</b>	<b>103,720</b>
Interest receivable and similar income	<b>8</b>	63,692	58,221
Interest payable and similar expenses	<b>9</b>	(103,566)	(94,059)
Other gains and losses	<b>10</b>	228,370	32,419
<b>Profit before taxation</b>		<b>359,261</b>	<b>100,301</b>
Tax on profit	<b>11</b>	(107,832)	(171)
<b>Profit for the financial year</b>	<b>29</b>	<b>251,429</b>	<b>100,130</b>
Profit for the financial year is attributable to:			
- Owners of the parent company		235,962	80,154
- Non-controlling interests		15,467	19,976
		<b>251,429</b>	<b>100,130</b>
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		235,962	80,154
- Non-controlling interests		15,467	19,976
		<b>251,429</b>	<b>100,130</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

Holker Holdings Limited

Group balance sheet

As at 31 March 2019

			2019		2018
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		3,788,248		3,927,363
Investment properties	14		1,180,000		995,000
Investments	15		713,531		665,608
			<u>5,681,779</u>		<u>5,587,971</u>
<b>Current assets</b>					
Stocks	18	1,516,875		760,238	
Debtors falling due after more than one year	19	1,038,294		1,000,000	
Debtors falling due within one year	19	1,737,389		1,589,518	
Cash at bank and in hand		1,331,260		1,370,923	
		<u>5,623,818</u>		<u>4,720,679</u>	
<b>Creditors: amounts falling due within one year</b>	20	(5,646,591)		(4,845,020)	
<b>Net current liabilities</b>			<u>(22,773)</u>		<u>(124,341)</u>
<b>Total assets less current liabilities</b>			<u>5,659,006</u>		<u>5,463,630</u>
<b>Creditors: amounts falling due after more than one year</b>	21		(71,027)		(115,912)
<b>Provisions for liabilities</b>	24		(189,127)		(140,691)
<b>Deferred income</b>	25		(356,335)		(415,939)
<b>Net assets</b>			<u>5,042,517</u>		<u>4,791,088</u>
<b>Capital and reserves</b>					
Called up share capital	27		512,476		512,476
Share premium account	28		17,142		17,142
Profit and loss reserves	29		4,384,851		4,148,889
<b>Equity attributable to owners of the parent company</b>			<u>4,914,469</u>		<u>4,678,507</u>
<b>Non-controlling interests</b>			128,048		112,581
			<u>5,042,517</u>		<u>4,791,088</u>

**Holker Holdings Limited**

**Group balance sheet (continued)**  
**As at 31 March 2019**

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The financial statements were approved by the board of directors and authorised for issue on 9 December 2019 and are signed on its behalf by:



Allen Gibb  
**Director**

**Holker Holdings Limited**

**Company balance sheet  
As at 31 March 2019**

			2019		2018
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investments	15		486,366		486,366
<b>Current assets</b>					
Debtors	19	27,982		27,982	
Cash at bank and in hand		103,357		68,570	
		<u>131,339</u>		<u>96,552</u>	
<b>Creditors: amounts falling due within one year</b>	20	(103,355)		(68,568)	
<b>Net current assets</b>			27,984		27,984
<b>Total assets less current liabilities</b>			<u>514,350</u>		<u>514,350</u>
<b>Capital and reserves</b>					
Called up share capital	27		512,476		512,476
Profit and loss reserves	29		1,874		1,874
<b>Total equity</b>			<u>514,350</u>		<u>514,350</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0 (2018 - £0 ).

The financial statements were approved by the board of directors and authorised for issue on 9 December 2019 and are signed on its behalf by:



Allen Gibb  
Director

**Company Registration No. 01515256**



Holker Holdings Limited

Group statement of changes in equity  
For the year ended 31 March 2019

	Share capital £	Share premium account £	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
<b>Balance at 1 April 2017</b>	512,476	17,142	4,068,735	4,598,353	92,605	4,690,958
<b>Year ended 31 March 2018:</b>						
Profit and total comprehensive income for the year	-	-	80,154	80,154	19,976	100,130
<b>Balance at 31 March 2018</b>	512,476	17,142	4,148,889	4,678,507	112,581	4,791,088
<b>Year ended 31 March 2019:</b>						
Profit and total comprehensive income for the year	-	-	235,962	235,962	15,467	251,429
<b>Balance at 31 March 2019</b>	512,476	17,142	4,384,851	4,914,469	128,048	5,042,517

**Holker Holdings Limited**

**Company statement of changes in equity  
For the year ended 31 March 2019**

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	<b>Share capital</b>	<b>Profit and loss reserves</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 April 2017</b>	512,476	1,874	514,350
	<hr/>	<hr/>	<hr/>
<b>Year ended 31 March 2018:</b>			
Profit and total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2018</b>	512,476	1,874	514,350
	<hr/>	<hr/>	<hr/>
<b>Year ended 31 March 2019:</b>			
Profit and total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2019</b>	512,476	1,874	514,350
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Holker Holdings Limited

**Group statement of cash flows**  
**For the year ended 31 March 2019**

	Notes	£	2019 £	£	2018 £
<b>Cash flows from operating activities</b>					
Cash generated from operations	34		217,515		748,826
Interest paid			(103,566)		(94,059)
Income taxes paid			(135,734)		(120,137)
<b>Net cash (outflow)/inflow from operating activities</b>			<b>(21,785)</b>		<b>534,630</b>
<b>Investing activities</b>					
Purchase of tangible fixed assets		(177,581)		(282,984)	
Proceeds on disposal of tangible fixed assets		34,166		5,125	
Purchase of fixed asset investments		(173,061)		(111,220)	
Proceeds on disposal of fixed asset investments		168,508		143,639	
(Increase)/decrease in other loans receivable		(62,854)		(71,922)	
Interest received		55,805		52,169	
Dividends received		7,887		6,052	
<b>Net cash used in investing activities</b>			<b>(147,130)</b>		<b>(259,141)</b>
<b>Financing activities</b>					
Repayment of borrowings		(34,221)		(33,978)	
Repayment of bank loans		(36,534)		(35,619)	
Payment of finance leases obligations		(7,875)		(7,876)	
<b>Net cash used in financing activities</b>			<b>(78,630)</b>		<b>(77,473)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>			<b>(247,545)</b>		<b>198,016</b>
Cash and cash equivalents at beginning of year			(149,253)		(347,269)
<b>Cash and cash equivalents at end of year</b>			<b>(396,798)</b>		<b>(149,253)</b>
<b>Relating to:</b>					
Cash at bank and in hand			1,331,260		1,370,923
Bank overdrafts included in creditors payable within one year			(1,728,058)		(1,520,176)

## 1 Accounting policies

### Company information

Holker Holdings Limited ("the company") is a limited company incorporated in England and Wales. The registered office is Cavendish House, Kirkby-in-Furness, Cumbria, LA17 7UN.

The group consists of Holker Holdings Limited and all of its subsidiaries.

### 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.

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 investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

**1 Accounting policies (continued)**

**1.2 Basis of consolidation**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The group financial statements incorporate those of Holker Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

**1.3 Going concern**

Having prepared forecasts and confirmed the continuing financial support of associated entities, the directors have formed the judgment that, at the time of approving the financial statements, there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

**1 Accounting policies (continued)**

**1.4 Turnover**

Turnover represents amounts receivable from caravan sales, visitor income, race day and grandstand events, grants towards prize money, property sales, crop and livestock sales and rents receivable net of VAT.

Turnover from caravan sales, visitor income and caravan rents are recognised when the company obtains the right to consideration or over the period to which the income relates. Turnover from race day and grandstand events and grants towards prize money is recognised on the date the event takes place. Crop and livestock turnover is recognised at the point of sale. Rental income is recognised on a straight line basis over the period of the lease.

Revenue from construction contracts, including long-term service provision contracts, is recognised by reference to the stage of completion of contract activity at the balance sheet date. This is normally determined by the proportion that contract costs incurred to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. If the nature of a particular contract means that costs incurred do not accurately reflect the progress of contract activity, an alternative approach is used such as the achievement of pre-determined contract milestones. Profit attributable to contract activity is recognised if the final outcome of such contracts can be reliably assessed. On all contracts, full provision is made for any losses in the year in which they are first foreseen.

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.

**1.5 Intangible fixed assets other than goodwill**

Amounts paid in respect of the group's acquisition of intangible assets are written off in equal annual instalments over their estimated useful economic life.

Intangible assets are Basic Payment entitlements and are recognised at the date of purchase.

**1.6 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.

**Notes to the financial statements (continued)**

**For the year ended 31 March 2019**

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**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	0% - 10% straight line
Leasehold improvements	2% - 33% straight line
Plant and machinery	0% - 33% straight line
Motor vehicles	17% - 25% straight line
Assets under construction	Not depreciated

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 recognised in the profit and loss account.

**1.7 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

**1.8 Fixed asset investments**

Equity instruments are measured at fair value through profit or loss except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**1.9 Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

## **1 Accounting policies (continued)**

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.

### **1.10 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.

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.

### **1.11 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.

### **1.12 Financial instruments**

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

Financial assets and liabilities are offset and 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.



**1 Accounting policies (continued)**

***Basic financial assets***

Basic financial assets, which include trade and other debtors, 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.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***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 group after deducting all of its liabilities.

**1 Accounting policies (continued)**

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.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

**1.13 Equity instruments**

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

**1.14 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 group'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 is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**1 Accounting policies (continued)**

**1.15 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.16 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.17 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**1 Accounting policies (continued)**

**1.18 Grants**

Capital grants are received from the Horserace Betting Levy Board (HBLB) in respect of capital expenditure.

Capital grants received are credited to accruals and deferred income. Credits are released to the profit and loss account by equal annual instalments over 20 years which on average match the period over which the assets are depreciated.

Grants received from HBLB to subsidise race day expenditure are recognised in the profit and loss account in the period in which the related expenditure is incurred.

Grants are credited to deferred income. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

The group received income during the year from both the Environmental Stewardship and Basic Payment Schemes.

*The Basic Payment Scheme income is recognised once all conditions attached to the Basic Payment Scheme have been met. Income from Environmental Stewardship Schemes is recognised on an accruals basis throughout the period of the Scheme.*

**2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## 2 Critical accounting judgements and key sources of estimation uncertainty (continued)

### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Provisions

Provision is made for bad and doubtful debts and obsolete stock. These provisions require management's best estimate of the recoverability of trade debtors and the expected future use of stock.

#### Long term service provision contracts

In arriving at the amount of turnover and profit to be recognised in respect of long term contracts management make an estimate of total contract costs and consider the expected final outcome of each contract.

## 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Caravan parks, estate management and house opening	3,303,436	3,058,301
House building	-	1,006,119
Racecourse	3,281,114	2,772,083
Grass drying and farming	403,286	280,017
Rental income	1,047,987	1,032,502
	<u>8,035,823</u>	<u>8,149,022</u>
	<b>2019 £</b>	<b>2018 £</b>
<b>Other significant revenue</b>		
Interest income	55,805	52,169
Dividends received	7,887	6,052
Grants received	59,604	59,604
	<u>123,296</u>	<u>117,825</u>

The total turnover of the group for the current and prior year has been derived from its principal activities wholly undertaken in the United Kingdom.

Notes to the financial statements (continued)

For the year ended 31 March 2019

**4 Operating profit**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	291,412	273,672
Depreciation of tangible fixed assets held under finance leases	7,737	7,513
Profit on disposal of tangible fixed assets	(16,619)	(5,125)
Amortisation of intangible assets	-	3,327
Operating lease charges	197,227	186,880
	<u>          </u>	<u>          </u>

**5 Auditor's remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	2,500	2,390
Audit of the financial statements of the company's subsidiaries	10,840	10,355
	<u>13,340</u>	<u>12,745</u>
<b>For other services</b>		
Other services	7,545	7,210
Taxation compliance services	9,125	8,715
	<u>16,670</u>	<u>15,925</u>

Notes to the financial statements (continued)

For the year ended 31 March 2019

**6 Employees**

The average monthly number of persons (including directors) employed by the group and company during the year was:

	<b>Group 2019 Number</b>	<b>2018 Number</b>	<b>Company 2019 Number</b>	<b>2018 Number</b>
Directors	2	4	-	-
Directors of subsidiaries	1	1	-	-
Office and administration	29	26	-	-
Services and operations	103	103	-	-
	<u>135</u>	<u>134</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	<b>Group 2019 £</b>	<b>2018 £</b>	<b>Company 2019 £</b>	<b>2018 £</b>
Wages and salaries	2,003,568	2,022,827	-	-
Social security costs	201,418	181,590	-	-
Pension costs	153,544	149,037	-	-
	<u>2,358,530</u>	<u>2,353,454</u>	<u>-</u>	<u>-</u>

**7 Directors' remuneration**

	<b>2019 £</b>	<b>2018 £</b>
Remuneration for qualifying services	448,402	555,004
Company pension contributions to defined contribution schemes	22,721	23,549
	<u>471,123</u>	<u>578,553</u>

Notes to the financial statements (continued)

For the year ended 31 March 2019

**7 Directors' remuneration (continued)**

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	282,367	372,118

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 2).

**8 Interest receivable and similar income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	55,805	52,169
<b>Other income from investments</b>		
Dividends received	7,887	6,052
Total income	63,692	58,221

Investment income includes the following:

Dividends from financial assets measured at fair value through profit or loss	7,887	6,052
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**9 Interest payable and similar expenses**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Interest on bank overdrafts and loans	76,360	76,784
Interest on finance leases and hire purchase contracts	7,763	1,224
Interest payable to related undertakings	17,431	2,655
Other interest	2,012	13,396
Total finance costs	103,566	94,059



Notes to the financial statements (continued)

For the year ended 31 March 2019

10 Other gains and losses

	2019	2018
	£	£
<b>Fair value gains/(losses) on financial instruments</b>		
Change in value of financial assets held at fair value through profit or loss	(44,839)	(30,157)
<b>Other gains/(losses)</b>		
Gain on disposal of investments held at fair value	88,209	62,576
Changes in the fair value of investment properties	185,000	-
	<u>228,370</u>	<u>32,419</u>

11 Taxation

	2019	2018
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	59,396	34,758
Adjustments in respect of prior periods	-	(25,305)
Total current tax	<u>59,396</u>	<u>9,453</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>48,436</u>	<u>(9,282)</u>
Total tax charge	<u>107,832</u>	<u>171</u>

Notes to the financial statements (continued)

For the year ended 31 March 2019

11 Taxation (continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	359,261	100,301
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	68,260	19,057
Tax effect of expenses that are not deductible in determining taxable profit	272	1,265
Tax effect of income not taxable in determining taxable profit	-	(11,325)
Change in unrecognised deferred tax assets	(347)	-
Depreciation on assets not qualifying for tax allowances	40,701	36,351
Other permanent differences	(1,716)	(2,669)
Under/(over) provided in prior years	-	(25,305)
Deferred tax adjustments in respect of prior years	-	(17,203)
	662	-
Taxation charge	107,832	171

The standard rate of tax applied to reported profit on ordinary activities is 19% (2017: 20%).

In the Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate at 19% for the years starting the 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. At Budget 2016, the government announced a further reduction to the Corporation Tax main rate for the year starting 1 April 2020, setting the rate at 17%. The rate changes will impact the amount of future cash tax payments made by the company and will be reflected in the company's financial statements.

**12 Intangible fixed assets**

<b>Group</b>	<b>Basic Payments Scheme Entitlement s £</b>
<b>Cost</b>	
At 1 April 2018 and 31 March 2019	67,700
	<hr/>
<b>Amortisation and impairment</b>	
At 1 April 2018 and 31 March 2019	67,700
	<hr/>
<b>Carrying amount</b>	
At 31 March 2019	-
	<hr/> <hr/>
At 31 March 2018	-
	<hr/> <hr/>

The company had no intangible fixed assets at 31 March 2019 or 31 March 2018.

Notes to the financial statements (continued)

For the year ended 31 March 2019

13 Tangible fixed assets

Group	Land and buildings Freehold	Leasehold improvements	Assets under construction	Plant and machinery	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2018	329,443	5,737,975	258,403	2,190,519	89,183	8,605,523
Additions	24,896	19,270	71,472	61,616	327	177,581
Disposals	-	-	(16,667)	(45,547)	(327)	(62,541)
Transfers	-	159,693	(159,693)	-	-	-
At 31 March 2019	354,339	5,916,938	153,515	2,206,588	89,183	8,720,563
<b>Depreciation and impairment</b>						
At 1 April 2018	146,288	2,854,805	-	1,593,988	83,079	4,678,160
Depreciation charged in the year	5,027	202,459	-	89,278	2,385	299,149
Eliminated in respect of disposals	-	-	-	(44,994)	-	(44,994)
At 31 March 2019	151,315	3,057,264	-	1,638,272	85,464	4,932,315
<b>Carrying amount</b>						
At 31 March 2019	203,024	2,859,674	153,515	568,316	3,719	3,788,248
At 31 March 2018	183,155	2,883,170	258,403	596,531	6,104	3,927,363

The company had no tangible fixed assets at 31 March 2019 or 31 March 2018.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2019 £	2018 £	Company 2019 £	2018 £
Plant and machinery	24,174	30,487	-	-

Notes to the financial statements (continued)

For the year ended 31 March 2019

14 Investment property

	Group 2019 £	Company 2019 £
<b>Fair value</b>		
At 1 April 2018 and 31 March 2019	995,000	-
Net gains or losses through fair value adjustments	185,000	-
At 31 March 2019	1,180,000	-

The fair value of the investment property has been arrived at on the basis of a valuation carried out by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties on the same development.

15 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	16	-	-	486,366	486,366
Listed investments		693,100	645,177	-	-
Unlisted investments		20,431	20,431	-	-
		713,531	665,608	486,366	486,366
<b>Listed investments included above:</b>					
Listed investments carrying amount		693,100	645,177	-	-

Fixed asset investments revalued

The listed investments have a cost value of £445,476 as at 31 March 2019 (2018: £352,686).

**15 Fixed asset investments (continued)**

**Movements in fixed asset investments**

**Group**

**Investments  
other than  
loans  
£**

**Cost or valuation**

At 1 April 2018	665,608
Additions	173,061
Valuation changes	(44,839)
Other movements	(400)
Disposals	(79,899)

At 31 March 2019	713,531
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**Carrying amount**

At 31 March 2019	713,531
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At 31 March 2018	665,608
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**Movements in fixed asset investments**

**Company**

**Shares in  
group  
undertakings  
£**

**Cost or valuation**

At 1 April 2018 and 31 March 2019	486,366
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**Carrying amount**

At 31 March 2019	486,366
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At 31 March 2018	486,366
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## Holker Holdings Limited

### Notes to the financial statements (continued)

For the year ended 31 March 2019

#### 16 Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Cartmel Steeplechases (Holker) Limited	Cavendish House, Racecourse Kirkby-in-Furness, Cumbria, LA17 7UN		Ordinary	86	0
Cartmel Steeplechases Limited	As above	Dormant	Ordinary	0	100
Holbeck Homes Limited	As above	House building	Ordinary	100	0
Holker Estate Co. Limited	As above	Caravan parks, estate management and property rental	Ordinary	93	0
The Roose & Walney Sand & Gravel Company Limited	As above	Dormant	Ordinary	100	0
Vitagrass Farms (Holker) Limited	As above	Farming	Ordinary	93	0

The following subsidiaries are exempt from audit under the requirements of s479A of the Companies Act 2006. Holker Holdings Limited guarantees the companies under s479C of the Companies Act 2006 in respect of the year ended 31 March 2019.

\* Cartmel Steeplechases (Holker) Limited, company number 03524887  
\* Holbeck Homes Limited, company number 00887431  
Vitagrass Farms (Holker) Limited, company number 00537157

Notes to the financial statements (continued)

For the year ended 31 March 2019

17 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	2,322,639	2,319,681	n/a	n/a
Equity instruments measured at cost less impairment	19,519	20,431	n/a	n/a
Instruments measured at fair value through profit or loss	694,012	645,177	-	-
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	5,435,547	4,515,181	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

18 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Raw materials and consumables	307,770	306,875	-	-
Work in progress	926,905	118,977	-	-
Finished goods and goods for resale	282,200	334,386	-	-
	1,516,875	760,238	-	-



Notes to the financial statements (continued)

For the year ended 31 March 2019

19 Debtors

	Group 2019	2018	Company 2019	2018
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	286,287	256,972	-	-
Amounts owed by group undertakings	-	-	27,982	27,982
Other debtors	1,001,289	1,074,597	-	-
Prepayments and accrued income	449,813	257,949	-	-
	<u>1,737,389</u>	<u>1,589,518</u>	<u>27,982</u>	<u>27,982</u>
<b>Amounts falling due after more than one year:</b>				
Amount owed by related parties	<u>1,038,294</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
<b>Total debtors</b>	<u>2,775,683</u>	<u>2,589,518</u>	<u>27,982</u>	<u>27,982</u>

During the year, the group impaired the value of trade debtors and a charge totalling £4,975 (2018: £12,260 ) was recognised in the income statement.

20 Creditors: amounts falling due within one year

		Group 2019	2018	Company 2019	2018
	Notes	£	£	£	£
Bank loans and overdrafts	22	1,764,952	1,556,594	-	-
Obligations under finance leases	23	8,591	8,591	-	-
Other borrowings	22	71,778	105,999	-	-
Trade creditors		432,286	592,772	-	-
Amounts owed to group undertakings		-	-	103,355	68,568
Corporation tax payable		70,182	146,520	-	-
Other taxation and social security		211,889	299,231	-	-
Other creditors		1,022,677	529,837	-	-
Accruals and deferred income		2,064,236	1,605,476	-	-
		<u>5,646,591</u>	<u>4,845,020</u>	<u>103,355</u>	<u>68,568</u>

**Holker Holdings Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 March 2019**

**21 Creditors: amounts falling due after more than one year**

		<b>Group</b>		<b>Company</b>	
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>22</b>	69,545	106,555	-	-
Obligations under finance leases	<b>23</b>	1,482	9,357	-	-
		<u>71,027</u>	<u>115,912</u>	<u>-</u>	<u>-</u>

**22 Loans and overdrafts**

		<b>Group</b>		<b>Company</b>	
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans		106,439	142,973	-	-
Bank overdrafts		1,728,058	1,520,176	-	-
Other loans		71,778	105,999	-	-
		<u>1,906,275</u>	<u>1,769,148</u>	<u>-</u>	<u>-</u>
Payable within one year		1,836,730	1,662,593	-	-
Payable after one year		69,545	106,555	-	-

The bank loans and overdrafts are provided by Handelsbanken and are secured by a first fixed and floating charge over the assets of the group, and an unlimited multilateral guarantee given by Holker Holdings Limited, and all of its subsidiary undertakings. There is also a guarantee given by Holker Estates Trust, limited to £3,000,000 and supported by legal charges over certain land and buildings.

**23 Finance lease obligations**

		<b>Group</b>		<b>Company</b>	
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Future minimum lease payments due under finance leases:					
Within one year		8,591	8,591	-	-
In two to five years		1,482	9,357	-	-
		<u>10,073</u>	<u>17,948</u>	<u>-</u>	<u>-</u>

Notes to the financial statements (continued)

For the year ended 31 March 2019

**23 Finance lease obligations (continued)**

Finance lease payments represent rentals payable by the group for an item of plant and machinery. The lease includes a purchase option at the end of the lease period and no restrictions are placed on the use of the asset. The lease term is 3 years. The lease is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

**24 Deferred taxation**

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
<b>Group</b>		
Accelerated capital allowances	89,728	55,949
Tax losses	(11,540)	(2,219)
Revaluations	110,939	86,961
	<u>189,127</u>	<u>140,691</u>

The company has no deferred tax assets or liabilities.

	Group 2019 £	Company 2019 £
<b>Movements in the year:</b>		
Liability at 1 April 2018	140,691	-
Charge to profit or loss	48,436	-
	<u>189,127</u>	<u>-</u>
Liability at 31 March 2019	<u>189,127</u>	<u>-</u>

£58,130 of the deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

Notes to the financial statements (continued)

For the year ended 31 March 2019

**25 Government grants**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Arising from government grants	356,335	415,939	-	-
	<u>356,335</u>	<u>415,939</u>	<u>-</u>	<u>-</u>

The deferred government grants relate to amounts received from the Horse Betting Levy Board. The grant income is being released to the profit and loss account over 20 years, and each year an amount equal to this release is transferred to the grant reserve from the profit and loss reserve. There are no unfulfilled conditions attached to the grants.

**26 Retirement benefit schemes**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	153,544	149,037
	<u>153,544</u>	<u>149,037</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

**27 Share capital**

	<b>Group and company</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Ordinary share capital		
Issued and fully paid		
512,476 Ordinary Shares of £1 each	512,476	512,476
	<u>512,476</u>	<u>512,476</u>

There are no restrictions on the rights to distributions of dividends or repayment of capital attached to the Ordinary shares.

**28 Share premium account**

Share premium account represents amounts paid for shares above the nominal amount.

**29 Profit and loss reserves**

Profit and loss reserves represent accumulated profit or loss for the year and prior periods, less dividends paid.

**30 Financial commitments, guarantees and contingent liabilities**

(a) The group is party to unlimited multilateral guarantees to secure the borrowings of the group from Handelsbanken. The net balance due to Handelsbanken at the year end was £563,355 (2018: £532,342).

(b) The group has given a restoration bond amounting to £150,000 to Hydrocarbon Resources Limited until 31 March 2018 in respect of the land the company is currently working.

(c) The company has provided a letter of support for its subsidiary undertaking, Holker Estates Co. Limited. Holker Estates Co. Limited has net liabilities of £232,915 at the year end (2018: £132,309).

(d) The company has provided a guarantee for its subsidiary undertakings, Holbeck Homes Limited (net assets £4,288,168), Cartmel Steeplechases (Holker) Limited (net assets £655,516) and Vitagrass Farms (Holker) Limited (net assets £303,774) as part of the audit exemption per note 16.

(e) Cartmel Steeplechases (Holker) Limited has provided a guarantee amounting to £134,000 to HSBC Bank plc until 28 February 2020.

(f) On 19 September 2019, South Lakeland District Council initiated legal proceedings against Holker Estates Co. Limited in relation to an incident at the Old Park Wood Caravan Park in 2016 comprising four health and safety offences. The directors of Holker Estates Co. Limited are currently reviewing the position with its legal advisors but as of the date of the signing of the financial statements the prosecution has yet to serve the relevant legal papers setting out their case summary and sentencing recommendations. Without these documents, the directors are unable as yet to confirm a plea response to the charges and it is not practicable to accurately assess the potential financial cost of the proceedings, if any. The timing of any payment is also uncertain due to concurrent cases being run against two co-defendants.

Notes to the financial statements (continued)

For the year ended 31 March 2019

**31 Operating lease commitments**

**Lessee**

The operating leases represent leases of property and vehicles from third parties. Car leases are negotiated over terms of 3-5 years and rentals are fixed for the period.

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	165,386	132,613	-	-
Between two and five years	592,761	481,855	-	-
In over five years	1,397,083	1,470,000	-	-
	<u>2,155,230</u>	<u>2,084,468</u>	<u>-</u>	<u>-</u>

**32 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Aggregate compensation	<u>471,123</u>	<u>578,533</u>

**Transactions with related parties**

During the year the group entered into the following transactions with related parties:

	<b>Sale of goods</b>		<b>Purchase of goods</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Group</b>				
Other related parties	<u>100,365</u>	<u>153,510</u>	<u>309,318</u>	<u>322,336</u>

Notes to the financial statements (continued)

For the year ended 31 March 2019

**32 Related party transactions (continued)**

	<b>Management charges receivable</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Group</b>		
Other related parties	225,000	172,916

The group sells and purchases goods and services including the rent of property to/from various entities under common control.

The following amounts were outstanding at the reporting end date:

<b>Amounts owed to related parties</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Group</b>		
Other related parties	1,078,993	506,969

The group has loans and trading balances due to/from entities under common control. Certain loans carry interest at a commercial rate and have specific repayment terms. Interest of £17,431 (2018: £2,655) was paid to related parties during the year. All other balances are interest free and repayable on demand.

The following amounts were outstanding at the reporting end date:

<b>Amounts owed by related parties</b>	<b>2019</b>	<b>2018</b>
	<b>Balance</b>	<b>Balance</b>
	<b>£</b>	<b>£</b>
<b>Group</b>		
Other related parties	1,934,127	2,023,335

Holker Estates Trust has given a guarantee to Handelsbanken in respect of group borrowings, limited to £3,000,000 and supported by legal charges over certain land and buildings.

**33 Controlling party**

The company is under the ultimate control of the Cavendish 1959 Settlement.

Notes to the financial statements (continued)

For the year ended 31 March 2019

34 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	251,429	100,130
Adjustments for:		
Taxation charged	107,832	171
Finance costs	103,566	94,059
Investment income	(63,692)	(58,221)
Gain on disposal of tangible fixed assets	(16,619)	(5,125)
Amortisation and impairment of intangible assets	-	3,327
Depreciation and impairment of tangible fixed assets	299,149	281,185
Other gains and losses	(228,370)	(32,419)
(Decrease) in deferred income	(59,604)	(59,604)
Movements in working capital:		
(Increase) in stocks	(756,637)	(21,122)
(Increase)/decrease in debtors	(123,311)	1,487,538
Increase/(decrease) in creditors	703,772	(1,041,093)
<b>Cash generated from operations</b>	<b>217,515</b>	<b>748,826</b>