

Crop Systems Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2018

GLX Limited
Chartered Accountants
St George's Works
51 Colegate
Norwich
Norfolk
NR3 1DD

Crop Systems Limited

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Crop Systems Limited

Company Information

Directors	Mr R G Andrews Mr R A Cook
Registered office	The Works Whimpwell Green Happisburgh Norwich NR12 0AJ
Accountants	GLX Limited Chartered Accountants St George's Works 51 Colegate Norwich Norfolk NR3 1DD

Crop Systems Limited
(Registration number: 03637934)
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	<u>4</u>	590,442	147,640
Current assets			
Stocks	<u>5</u>	476,638	382,206
Debtors	<u>6</u>	581,712	355,037
Cash at bank and in hand		1,565	3,017
		1,059,915	740,260
Creditors: Amounts falling due within one year	<u>7</u>	(769,444)	(395,881)
Net current assets		290,471	344,379
Total assets less current liabilities		880,913	492,019
Creditors: Amounts falling due after more than one year	<u>7</u>	(233,874)	(28,746)
Provisions for liabilities		(16,262)	(20,214)
Net assets		630,777	443,059
Capital and reserves			
Called up share capital		110	110
Share premium reserve		2,617	2,617
Profit and loss account		628,050	440,332
Total equity		630,777	443,059

For the financial year ending 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 21 August 2019 and signed on its behalf by:

Mr R G Andrews

Director

The notes on pages 3 to 8 form an integral part of these financial statements.

Crop Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

The Works
Whimpwell Green
Happisburgh
Norwich
NR12 0AJ

These financial statements were authorised for issue by the Board on 21 August 2019.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Crop Systems Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	2% straight line
Plant and machinery	15% reducing balance
Computer equipment	33% straight line
Motor vehicles	25% reducing balance

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

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Notes to the Financial Statements for the Year Ended 31 December 2018

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

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Notes to the Financial Statements for the Year Ended 31 December 2018

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 19 (2017 - 16).

4 Tangible assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 January 2018	-	156,194	199,660	46,194	402,048
Additions	468,987	14,280	-	-	483,267
Disposals	-	-	(16,425)	-	(16,425)
At 31 December 2018	468,987	170,474	183,235	46,194	868,890
Depreciation					
At 1 January 2018	-	107,195	102,739	44,474	254,408
Charge for the year	781	9,768	23,412	756	34,717
Eliminated on disposal	-	-	(10,677)	-	(10,677)
At 31 December 2018	781	116,963	115,474	45,230	278,448
Carrying amount					
At 31 December 2018	468,206	53,511	67,761	964	590,442
At 31 December 2017	-	48,999	96,921	1,720	147,640

Included within the net book value of land and buildings above is £468,206 (2017 - £Nil) in respect of freehold land and buildings.

5 Stocks

	2018 £	2017 £
Raw materials and consumables	151,203	103,225
Work in progress	325,435	278,981
	476,638	382,206

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Notes to the Financial Statements for the Year Ended 31 December 2018

6 Debtors

	2018 £	2017 £
Trade debtors	530,319	350,138
Prepayments	47,241	4,263
Other debtors	4,152	636
	<u>581,712</u>	<u>355,037</u>

7 Creditors

Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Due within one year			
Bank loans and overdrafts	<u>8</u>	149,612	119,313
Trade creditors		507,746	166,675
Taxation and social security		68,706	80,570
Accruals and deferred income		2,000	2,000
Other creditors		41,380	27,323
		<u>769,444</u>	<u>395,881</u>

Creditors: amounts falling due after more than one year

	Note	2018 £	2017 £
Due after one year			
Loans and borrowings	<u>8</u>	<u>233,874</u>	<u>28,746</u>

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Notes to the Financial Statements for the Year Ended 31 December 2018

8 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Bank borrowings	213,311	-
Finance lease liabilities	20,563	28,746
	<u>233,874</u>	<u>28,746</u>
	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	12,243	-
Bank overdrafts	126,712	105,662
Finance lease liabilities	10,657	13,651
	<u>149,612</u>	<u>119,313</u>

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This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.