

# A A Read Farms Limited

Annual Report and Unaudited Financial Statements  
for the Year Ended 31 March 2017

**A A Read Farms Limited**

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# A A Read Farms Limited

## Company Information

**Directors**                    A A Read  
                                     C J L Read

**Company secretary**    A A Read

**Registered office**       Barr Farm  
                                     Edlington  
                                     Horncastle  
                                     Lincolnshire  
                                     LN9 5NA

**Bankers**                    HSBC Bank plc  
                                     25 High Street  
                                     Horncastle  
                                     Lincolnshire  
                                     LN9 5HR

# A A Read Farms Limited

(Registration number: 05159146)

## Balance Sheet as at 31 March 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	<u>5</u>	833,057	899,288
Investments	<u>6</u>	11,000	11,000
		<u>844,057</u>	<u>910,288</u>
<b>Current assets</b>			
Stocks	<u>7</u>	313,404	436,430
Debtors	<u>8</u>	186,770	62,942
Cash at bank and in hand		6,940	87,870
		<u>507,114</u>	<u>587,242</u>
<b>Creditors: Amounts falling due within one year</b>	<u>9</u>	<u>(126,155)</u>	<u>(58,835)</u>
<b>Net current assets</b>		<u>380,959</u>	<u>528,407</u>
<b>Total assets less current liabilities</b>		1,225,016	1,438,695
<b>Creditors: Amounts falling due after more than one year</b>	<u>9</u>	<u>(306,738)</u>	<u>(299,965)</u>
<b>Provisions for liabilities</b>		<u>(77,828)</u>	<u>(91,549)</u>
<b>Net assets</b>		<u>840,450</u>	<u>1,047,181</u>
<b>Capital and reserves</b>			
Called up share capital		7,100	7,100
Profit and loss account		<u>833,350</u>	<u>1,040,081</u>
<b>Total equity</b>		<u>840,450</u>	<u>1,047,181</u>

For the financial year ending 31 March 2017 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 30 November 2017 and signed on its behalf by:

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A A Read

Director

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The notes on pages 3 to 9 form an integral part of these financial statements.

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# **A A Read Farms Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2017**

### **1 General information**

The company is a private company limited by share capital incorporated in England and Wales and the company registration number is 05159146.

The address of its registered office is:

Barr Farm  
Edlington  
Horncastle  
Lincolnshire  
LN9 5NA

These financial statements were authorised for issue by the Board on 30 November 2017.

### **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.

The financial statements are prepared in Sterling which is the functional currency of the Company and have been expressed rounded to the nearest pound.

#### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land and buildings	2% straight line
Tractors and combines	20% and 25% reducing balance
Implements and machinery	20% and 25% reducing balance
Motor vehicles	25% reducing balance

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Sugar beet quota	20% straight line
Land payment entitlements	33% straight line

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## **A A Read Farms Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2017**

#### **Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### **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 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**

The basis of valuation is as follows:

Raw materials and consumables are stated at the lower of cost or net realisable value,

Tenantright is calculated by a combination of actual costs incurred and standard costs.

Produce on hand is valued at standard cost.

Livestock is valued at the lower of cost or net realisable value.

The basis of valuation is consistent with previous years.

#### **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 at the transaction price.

#### **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.



# A A Read Farms Limited

## Notes to the Financial Statements for the Year Ended 31 March 2017

### Leases

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.

### 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 7 (2016 - 9).

## 4 Intangible assets

	Sugar beet quotas/BPS entitlements £	Total £
<b>Cost or valuation</b>		
At 1 April 2016	32,105	32,105
At 31 March 2017	32,105	32,105
<b>Amortisation</b>		
At 1 April 2016	32,105	32,105
At 31 March 2017	32,105	32,105
<b>Carrying amount</b>		

At 31 March 2017

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# A A Read Farms Limited

## Notes to the Financial Statements for the Year Ended 31 March 2017

### 5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2016	389,223	520,852	31,679	792,951	1,734,705
Additions	-	7,107	-	76,186	83,293
Disposals	-	(3,259)	-	(40,161)	(43,420)
At 31 March 2017	389,223	524,700	31,679	828,976	1,774,578
<b>Depreciation</b>					
At 1 April 2016	15,880	363,126	19,599	436,812	835,417
Charge for the year	1,574	32,886	3,021	106,320	143,801
Eliminated on disposal	-	(2,897)	-	(34,800)	(37,697)
At 31 March 2017	17,454	393,115	22,620	508,332	941,521
<b>Carrying amount</b>					
At 31 March 2017	371,769	131,585	9,059	320,644	833,057
At 31 March 2016	373,343	157,726	12,080	356,139	899,288

# A A Read Farms Limited

## Notes to the Financial Statements for the Year Ended 31 March 2017

### 6 Investments

	2017 £	2016 £
Investments in subsidiaries	11,000	11,000
<b>Subsidiaries</b>		£
<b>Cost or valuation</b>		
At 1 April 2016		11,000
<b>Provision</b>		
<b>Carrying amount</b>		
At 31 March 2017		11,000
At 31 March 2016		11,000

### 7 Stocks

	2017 £	2016 £
Raw materials and consumables	66,290	68,650
Work in progress	230,388	298,648
Finished goods and goods for resale	16,726	69,132
	313,404	436,430

### 8 Debtors

	2017 £	2016 £
Trade debtors	184,539	49,953
Other debtors	335	11,175
Prepayments and accrued income	1,896	1,814
	186,770	62,942

### 9 Creditors

	Note	2017 £	2016 £
<b>Due within one year</b>			
Loans and borrowings	10	28,387	16,667
Trade creditors		23,867	25,383
Taxation and social security		10,235	7,271
Other creditors		21,416	3,964

Accruals and deferred income		<u>42,250</u>	<u>5,550</u>
		<u>126,155</u>	<u>58,835</u>

**Due after one year**

Loans and borrowings	<u>10</u>	<u>306,738</u>	<u>299,965</u>
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## A A Read Farms Limited

### Notes to the Financial Statements for the Year Ended 31 March 2017

#### 10 Loans and borrowings

	2017 £	2016 £
<b>Non-current loans and borrowings</b>		
Finance lease liabilities	73,439	66,666
Other borrowings	233,299	233,299
	<u>306,738</u>	<u>299,965</u>
	2017 £	2016 £
<b>Current loans and borrowings</b>		
Finance lease liabilities	<u>28,387</u>	<u>16,667</u>

All current and non current finance lease liabilities are secured upon the assets acquired.

#### 11 Related party transactions

##### Key management compensation

	2017 £	2016 £
Salaries and other short term employee benefits	<u>63,918</u>	<u>49,274</u>

##### Transactions with directors

##### Dividends paid to directors

	2017 £	2016 £
<b>A A Read</b>		
Interim dividends paid	114,240	147,900
	<u>                    </u>	<u>                    </u>
<b>C J L Read</b>		
Interim dividends paid	109,760	142,100
	<u>                    </u>	<u>                    </u>

#### Summary of transactions with subsidiaries

D A Read (Farms) Limited

#### Loans from related parties

**2017**

**Subsidiary  
£**

At start of period	233,299
Repaid	(3,511)
Interest transactions	<u>3,511</u>
At end of period	<u><u>233,299</u></u>

## A A Read Farms Limited

### Notes to the Financial Statements for the Year Ended 31 March 2017

	Subsidiary £
<b>2016</b>	
At start of period	233,299
Repaid	(3,699)
Interest transactions	<u>3,699</u>
At end of period	<u><u>233,299</u></u>

#### 12 Transition to FRS 102

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 1A (FRS 102 1A) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31st March, 2016 and the date of transition to FRS 102 1A was therefore 1st April, 2015.

As a consequence of adopting FRS 102 1A, a number of accounting policies have changed to comply with that standard but there have been no changes to the figures reported in the financial statements for the current or preceding year.

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.