

MITFORD F LIMITED

Annual Report and Financial Statements

For the year ended 30 April 2015

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REPORT AND FINANCIAL STATEMENTS 2015

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

W F Shepherd

SECRETARY

S D Ward

REGISTERED OFFICE

c/o Shepherd Offshore Limited
Offshore Technology Park
1 Rendle Road
Walker
Newcastle upon Tyne
NE6 3NH

BANKER

Barclays Bank plc
3 Northumberland Square
North Shields
NE30 1QX

SOLICITOR

Square One Law LLP
Anson House
The Fleming Business Centre
Burdon Terrace
Newcastle upon Tyne
NE2 3AE

AUDITOR

Deloitte LLP
Chartered Accountants and Registered Statutory Auditors
Newcastle upon Tyne, United Kingdom
NE1 2HF

DIRECTOR'S REPORT

The director presents his report on the affairs of the company together with the financial statements and auditor's report for the year ended 30 April 2015. The director's report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The exemption has accordingly been taken from the need to produce a strategic report.

PRINCIPAL ACTIVITY

The company's principal activities operated through an LLP are farming and estate management including grazing, organising and hosting sporting events and conferencing, woodland management and rental activities. The general policy of the directors for some years has been to terminate AHA tenancies wherever possible and bring let farms back into being farmed directly by the LLP wherever possible.

DIRECTOR

The director who served during the year and since was as follows:

W F Shepherd

GOING CONCERN

After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, he continues to adopt the going concern basis in the preparation of the financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies note, on page 8, of the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the company are falling property values, the decline in demand for large estates and the ongoing liquidity of its operations and development plans. The nature and location of the estate properties reduces the risk on property values and rental demand and the company has cash reserves which will ensure the liquidity risks can be managed effectively and the viability of the estate secured.

DIRECTOR'S INDEMNITY

The company has made qualifying third party indemnity provisions for the benefit of its director which were made during the year and remain in force at the date of this report.

AUDIT INFORMATION

The director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all reasonable steps to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

DIRECTOR'S REPORT (continued)

AUDITOR

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved and signed by the director

A handwritten signature in black ink, appearing to read 'W F Shepherd', with a long horizontal flourish extending to the right.

W F Shepherd
Director

Date 22 January 2016

DIRECTOR'S RESPONSIBILITIES STATEMENT

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the 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 MITFORD F LIMITED

We have audited the financial statements of Mitford F Limited for the year ended 30 April 2015 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of director and auditor

As explained more fully in the Director's Responsibilities Statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2015 and of its 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.

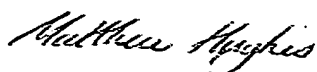
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime or take advantage of the small companies exemption in preparing a strategic report or in preparing the director's report.



Matthew Hughes BSc (Hons) ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle upon Tyne, United Kingdom
22 January 2016

PROFIT AND LOSS ACCOUNT
Year ended 30 April 2015

	Notes	2015 £	2014 £
TURNOVER		351,299	213,490
Cost of sales		(101,282)	(126,063)
GROSS PROFIT		250,017	87,427
Administrative expenses		(19,065)	(29,056)
Other operating income		2,110	2,172
OPERATING PROFIT		233,062	60,543
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	233,062	60,543
Tax on profit on ordinary activities	4	(113,065)	5,684
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	11, 12	119,997	66,227

All activities derive from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 30 April 2015


	Notes	2015 £	2014 £
Profit for the financial year	11, 12	119,997	66,227
Unrealised surplus revaluation of investment properties	11, 12	786,947	1,896,951
		906,944	1,963,178

BALANCE SHEET
30 April 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible fixed assets	6	12,670,936	12,205,148
Investments	5	-	-
		<u>12,670,936</u>	<u>12,205,148</u>
CURRENT ASSETS			
Debtors and prepayments	7	488,397	413,531
Cash at bank and in hand		<u>749,357</u>	<u>260,120</u>
		1,237,754	673,651
CREDITORS: amounts falling due within one year	8	<u>(169,012)</u>	<u>(45,878)</u>
NET CURRENT ASSETS		<u>1,068,742</u>	<u>627,773</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,739,678	12,832,921
PROVISION FOR LIABILITIES AND CHARGES	9	<u>(18,735)</u>	<u>(18,922)</u>
NET ASSETS		<u>13,720,943</u>	<u>12,813,999</u>
CAPITAL AND RESERVES			
Called-up share capital	10	1,001	1,001
Share premium account	11	9,616,462	9,616,462
Investment property revaluation reserve	11	2,903,009	2,116,062
Profit and loss account	11	<u>1,200,471</u>	<u>1,080,474</u>
SHAREHOLDER'S FUNDS	12	<u>13,720,943</u>	<u>12,813,999</u>

These financial statements are prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

The financial statements of Mitford F Limited (registration number 6450567) were approved by the Director and authorised for issue on 22 January 2016.



W F Shepherd
Director

Date 22 January 2016

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2015

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently in the current and prior financial year.

Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain assets and in accordance with applicable accounting standards. Compliance with SSAP 19 'Accounting for Investment Properties' requires departure from the requirements of the Companies Act 2006 relating to depreciation and an explanation of the departure is given below and in note 6.

Going concern

Based on current forecasts, the company has cash reserves to finance ongoing development and operations on the Mitford Estate and the director believes the company is well-placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the director has a reasonable expectation at the time of approving the financial statements that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, he continues to adopt the going concern basis in preparing the financial statements.

Investments

Investments are stated at cost less any provision for impairment.

Consolidation

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 398 of the Companies Act 2006 because the group qualifies as a small-sized group.

Turnover

Turnover represents the gross rental income charged to tenants during the year and is net of VAT. All turnover arises within the United Kingdom from the principal activity of the company.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and the law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Investment properties

Investment properties are revalued annually. Surpluses or deficits on individual properties are transferred to the investment property revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. Depreciation is not provided in respect of freehold investment properties or in respect of leasehold investment properties where the unexpired term of the lease is more than 20 years. The director considers that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as required under SSAP 19 'Accounting for Investment Properties'. The financial effect of the departure from the statutory accounting rules cannot reasonably be quantified as depreciation is only one of many factors reflected in the annual valuation.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2015

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Individual freehold and leasehold properties are revalued every year with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its estimated useful life, as follows:

Freehold buildings	2% per annum straight line
Leasehold land and buildings	straight line over the shorter of 50 years or the term of lease
Motor vehicles	25% per annum reducing balance, 5% per annum straight line for vintage cars, or straight line over 10 years for cranes
Fixtures, fittings, plant and equipment	15% per annum reducing balance

Heritage assets

In accordance with FRS 30 'Heritage Assets' no depreciation is charged on heritage assets. The carrying value of heritage assets are reviewed where there is evidence of impairment (e.g. physical deterioration, breakage, or doubts arise regarding the authenticity of the asset).

Cash flow statement

The company is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard No 1 "Cash Flow Statements (Revised)" as it meets the small company size criteria as defined by section 382-384 and section 465-467 of the Companies Act 2006.

2. INFORMATION REGARDING DIRECTOR

No emoluments were payable to the director for his services to the company during the current financial period.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2015 £	2014 £
Profit on ordinary activities before taxation is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	2,300	2,300
Depreciation charge	4,785	5,441
	<u>2,300</u>	<u>5,441</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2015

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

i) Analysis of tax charge/(credit) on ordinary activities

	2015 £	2014 £
Current tax:		
UK corporation tax at 20.92% (2014: 22.84%)	112,556	3,111
Adjustment in respect of previous year	696	(7,343)
Total current tax	113,252	(4,232)
Deferred tax:		
Origination and reversal of timing differences	533	1,205
Adjustment in respect of previous year	(696)	-
Effect of changes in tax rates	(24)	(2,657)
Total deferred tax	(187)	(1,452)
Total tax charge on profit on ordinary activities	113,065	(5,684)

ii) Factors affecting tax charge for the current period

The tax assessed for the period is different to that resulting from applying the standard rate of corporation tax of 20.92% (2014: 22.84%) in the UK. The differences are explained below:

	2015 £	2013 £
Profit on ordinary activities before tax	233,062	60,543
Tax at 20.92 % (2013: 22.84%) thereon:	48,751	12,109
Effects of:		
Expenses not deductible for tax purposes	415	308
Capital allowances in excess of depreciation	(533)	(1,205)
Effect of gain	73,916	-
Share of partnership losses	(9,993)	(8,101)
Adjustments to tax charge in respect of previous periods	696	(7,343)
Current tax charge/(credit) for the year	113,252	4,232

The Finance Act 2013, which was substantively enacted in July 2013, included provisions to reduce the main rate of UK corporation tax to 21% effective from 1 April 2014 and 20% with effect from 1 April 2015. Accordingly 20% has been applied when calculating deferred tax assets and liabilities as at 30 April 2015.

Finance Act No2 2015, which was substantively enacted on 26 October 2015, includes further provisions to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. As the enabling legislation has not been substantively enacted at the balance sheet date these rates do not apply to the deferred tax position at 30 April 2015.

Applying these rates to the deferred tax provision at 30 April 2015 would reduce the deferred tax provision to £17,798 (19%) and £16,862 (18%).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2015

5. INVESTMENTS

The company owns an interest in the ordinary shares of the following subsidiary undertaking:

	Nature of business	Country of registration	Percentage interest Held
Mitford Estate LLP	Managing of Mitford Estate	England	50%

The aggregate reserves of Mitford Estate LLP as at 30 April 2015 were a deficit of £694,021 (2014: £600,426). The loss for the year ended **Error! Bookmark not defined.** was £93,595 (2014: £78,634).

6. TANGIBLE FIXED ASSETS

	Investment properties £	Freehold Land and Buildings £	Motor vehicles £	Fixtures, fittings, plant and equipment £	Total £
Cost or valuation					
At 30 April 2014	8,113,733	3,961,267	8,778	153,095	12,236,873
Additions	-	67,115	-	1,511	68,626
Disposal	-	(385,000)	-	-	(385,000)
Transfer	(1,744,182)	1,744,182	-	-	-
Revaluation	120,061	666,886	-	-	786,947
At 30 April 2015	6,489,612	6,054,450	8,778	154,606	12,707,446
Depreciation					
At 30 April 2014	-	-	7,302	24,423	31,725
Charge for the year	-	-	369	4,416	4,785
At 30 April 2015	-	-	7,671	28,839	36,510
Net book value					
At 30 April 2014	8,113,733	3,961,267	1,476	128,672	12,205,148
At 30 April 2015	6,489,612	6,054,450	1,107	125,767	12,670,936

Included within fixtures, fitting plant and equipment are heritage assets (held at cost) with a cost and net book value of £99,697 (2014: £99,697).

Investment properties and freehold land and buildings were valued on an open market basis by Strutt & Parker LLP at 30 April 2014. The value at which those assets are disclosed above represents the director's estimate of their open market value at the balance sheet date having regard to this valuation. Such properties, land and buildings are not depreciated.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2015

6. TANGIBLE FIXED ASSETS (Continued)

A summary of those assets carried at cost and valuation is set out below:

	Investment properties £	Freehold land and buildings £	Motor vehicles £	Fixtures, fittings, plant and equipment £	Total £
Cost or valuation					
Carried at valuation	6,489,612	6,054,450	-	-	12,544,063
Carried at cost	-	-	1,107	125,767	126,874
At 30 April 2015	<u>6,489,612</u>	<u>6,054,450</u>	<u>1,107</u>	<u>125,767</u>	<u>12,670,937</u>

If land and buildings had not been revalued, they would have been included at the following amounts.

	2015		2014	
	Investment properties £	Freehold land and buildings £	Investment properties £	Freehold land and buildings £
Cost	<u>7,317,210</u>	<u>2,328,229</u>	<u>7,317,210</u>	<u>2,646,114</u>
Net book value/cost	<u>7,317,210</u>	<u>2,328,229</u>	<u>7,317,210</u>	<u>2,646,114</u>

7. DEBTORS

	2015 £	2014 £
Trade debtors	55,343	22,519
Amounts due from related undertaking (note 13)	420,437	372,607
Other debtors	-	6,063
Prepayments and accrued income	<u>12,617</u>	<u>12,342</u>
	<u>488,397</u>	<u>413,531</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2015

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	1,637	3,252
Amounts due to related undertaking (note 13)	205	-
Other creditors	16,449	8,515
Other taxation and social security	1,139	-
Corporation tax creditor	112,556	3,111
Accruals and deferred income	37,026	31,000
	<u>169,012</u>	<u>45,878</u>

9. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation:

	£
Opening balance at 1 May 2015	18,922
Charge to profit and loss account	(187)
Closing balance at 30 April 2015	<u>18,735</u>

The balance at 30 April 2015 is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	18,735	18,922
Deferred tax liability	18,735	18,922

There were no other timing differences on which deferred taxation has not been provided.

10. CALLED-UP SHARE CAPITAL

	2015 £	2014 £
Called-up, allotted and paid during the period		
1,001 Ordinary shares of £1 each	1,001	1,001

11. RESERVES

	Share premium account £	Investment property revaluation reserve £	Profit and loss account £
At 30 April 2014	9,616,462	2,116,062	1,080,474
Profit for the financial year	-	-	119,997
Surplus on revaluation of properties	-	786,947	-
At 30 April 2015	<u>9,616,462</u>	<u>2,903,009</u>	<u>1,200,471</u>

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NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2015

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2015	2014
	£	£
Profit for the financial period	119,997	66,227
Surplus on revaluation of properties	786,947	1,896,951
	<u>906,944</u>	<u>1,963,178</u>
Net increase to shareholder's funds	12,813,999	10,850,821
Opening shareholder's funds	<u>13,720,943</u>	<u>12,813,999</u>
Closing shareholder's funds	<u>13,720,943</u>	<u>12,813,999</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2015

13. RELATED PARTY TRANSACTIONS

A summary of the aggregate transactions which have been undertaken by the Company with related parties is as follows:

(a) Mitford Estate LLP

Mitford F Limited is a partner in the above limited liability partnership.

During the period Mitford Estate LLP collected rental income of £351,299 (2014: £213,490) and incurred related rental cost of £164,915 (2014: £143,815) on behalf of the company on an arm's length basis, in the ordinary course of business. The above income and expenses have been reflected in the profit and loss account of the company.

At 30 April 2015 the company was owed £420,437 from Mitford Estate LLP (2014: £383,699).

(b) Mitford B Limited

Mitford B Limited jointly owns the Mitford Estate and is a partner in Mitford Estate LLP.

At 30 April 2015 the company owed £206 to Mitford F Limited (2014: £nil).

14. ULTIMATE CONTROLLING PARTY

The company is under the control of its director W F Shepherd, who is the sole shareholder.