

COMPANY REGISTRATION NUMBER: 07462134

**Denmark Farm Conservation Centre Ltd**  
**Company Limited by Guarantee**  
**Filleted Unaudited Financial Statements**  
**31 March 2019**

# **Denmark Farm Conservation Centre Ltd**

## **Company Limited by Guarantee**

### **Directors' Report**

#### **Year ended 31 March 2019**

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

#### **Principal activities**

The principal activity of the company in the year under review was the letting of visitor accommodation and associated activities. The company (DFCC Ltd) was established in December 2010 as a Company Limited by Guarantee. This was accomplished in order to create a duly constituted trading role under the aegis of its parent registered charity, the Shared Earth Trust (SET) based at Denmark Farm, Betws Bledrws, Lampeter, Ceredigion. All trading profit will be covenanted to support the work of SET and the company's activities must always conform to SET's charitable objects and ethos. DFCC Ltd.'s main remit is to generate revenue by letting and managing holiday visitor accommodation and associated facilities at Denmark Farm. With the approval of the Charity Commission, SET transferred a plot of land to DFCC Ltd at Denmark Farm on which the accommodation, known as the Ecolodge stands.

#### **Incorporation**

The company commenced trading on 21st March 2013. Budgets and targets are set annually and progress is reviewed regularly by the directors throughout the year.

#### **Directors**

The directors who served the company during the year were as follows:

G E Strachan

N E Howard (Appointed 12 June 2018)

J Docherty (Appointed 18 September 2018)

G A Hopwood (Resigned 8 June 2018)

A Smith (Resigned 18 September 2018)

**Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 7 November 2019 and signed on behalf of the board by:

G E Strachan

N E Howard

Director

Director

J Docherty

Director

Registered office:

Denmark Farm

Betws Bledrws

Lampeter

Ceredigion

SA48 8PB

# **Denmark Farm Conservation Centre Ltd**

## **Company Limited by Guarantee**

### **Chartered Accountant's Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of Denmark Farm Conservation Centre Ltd**

#### **Year ended 31 March 2019**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Denmark Farm Conservation Centre Ltd for the year ended 31 March 2019, which comprise the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us. As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [www.icaew.com/en/membership/regulations-standards-and-guidance](http://www.icaew.com/en/membership/regulations-standards-and-guidance). This report is made solely to the Board of Directors of Denmark Farm Conservation Centre Ltd, as a body, in accordance with the terms of our engagement letter dated 7 May 2014. Our work has been undertaken solely to prepare for your approval the financial statements of Denmark Farm Conservation Centre Ltd and state those matters that we have agreed to state to you, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at [www.icaew.com/compilation](http://www.icaew.com/compilation). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Denmark Farm Conservation Centre Ltd and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Denmark Farm Conservation Centre Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Denmark Farm Conservation Centre Ltd. You consider that Denmark Farm Conservation Centre Ltd is exempt from the statutory audit requirement for the year. We have not been instructed to carry out an audit or a review of the financial statements of Denmark Farm Conservation Centre Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

FRANCIS GRAY Chartered accountant

Ty Madog 32 Queens Road Aberystwyth Ceredigion SY23 2HN

7 November 2019

# Denmark Farm Conservation Centre Ltd

## Company Limited by Guarantee

### Statement of Financial Position

31 March 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	6	278,787	280,050
<b>Current assets</b>			
Stocks		2,430	2,700
Debtors	7	1,030	—
Cash at bank and in hand		7,610	1,287
		11,070	3,987
<b>Creditors: amounts falling due within one year</b>	8	12,950	8,808
<b>Net current liabilities</b>		1,880	4,821
<b>Total assets less current liabilities</b>		276,907	275,229
<b>Creditors: amounts falling due after more than one year</b>	9	245,626	248,182
<b>Net assets</b>		31,281	27,047
<b>Capital and reserves</b>			
Revaluation reserve		64,389	64,389
Profit and loss account		( 33,108)	( 37,342)
<b>Members funds</b>		31,281	27,047

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 31 March 2019 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 financial statements for the year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

# **Denmark Farm Conservation Centre Ltd**

## **Company Limited by Guarantee**

### **Statement of Financial Position** *(continued)*

**31 March 2019**

These financial statements were approved by the board of directors and authorised for issue on 7 November 2019 ,  
and are signed on behalf of the board by:

G E Strachan

Director

J Docherty

Director

N E Howard

Director

# **Denmark Farm Conservation Centre Ltd**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year ended 31 March 2019**

#### **1. General information**

The company is a private company limited by guarantee, registered in England and Wales. The address of the registered office is Denmark Farm, Betws Bledrws, Lampeter, Ceredigion, SA48 8PB.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances .

##### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

## **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	25% straight line
Equipment	-	25% straight line

## **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

## **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

## **Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.



## **Financial instruments**

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 entity after deducting all of its financial liabilities. Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

### **4. Company limited by guarantee**

The company's liability is limited by the guarantee entered in by the members. Every member undertakes to contribute to the assets of the company in the event of it being wound up during the member's period of membership, or within a year afterwards for payment of the debt and liabilities contracted before the member ceased to be a member such amount not exceeding £1 for any member.

### **5. Employee numbers**

The average number of persons employed by the company during the year amounted to Nil (2018: 1 ).

## 6. Tangible assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
<b>At 1 April 2018 and 31 March 2019</b>	275,000	25,610	1,655	<b>302,265</b>
<b>Depreciation</b>				
At 1 April 2018	–	21,015	1,200	<b>22,215</b>
Charge for the year	–	1,149	114	<b>1,263</b>
<b>At 31 March 2019</b>	–	22,164	1,314	<b>23,478</b>
<b>Carrying amount</b>				
<b>At 31 March 2019</b>	275,000	3,446	341	<b>278,787</b>
At 31 March 2018	275,000	4,595	455	280,050

### Tangible assets held at valuation

The ecolodge owned by the company was valued at £275,000 on the 12 July 2017, agreed to be the value as at the 31 March 2017 by Andrew Morgan FRICS FAAV of Morgan & Davies. A revaluation model continues to be applied in line with the charity of which it is a trading subsidiary.

## 7. Debtors

	2019 £	2018 £
Trade debtors	<b>1,030</b>	–

## 8. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	<b>11,701</b>	7,351
Trade creditors	–	28
Social security and other taxes	<b>259</b>	459
Other creditors	<b>990</b>	970
	<b>12,950</b>	8,808

## 9. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	<b>145,517</b>	148,073
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<b>100,109</b>	100,109
	<b>245,626</b>	248,182

Amounts owed to group undertakings are made up as follows: The group undertaking is the parent registered charity, the Shared Earth Trust, which has provided financial assistance to its trading subsidiary. In addition to core funding provided of £75,109 at 31st March 2018 (£75,109 - 2018), mortgage assistance has been given by the charity. On 27th June 2012, a 30 year mortgage was provided at an annual rate of interest of 5%. The principal amount was £25,000, secured by land transferred to DFCC by the Shared Earth Trust. As at the year end no repayments had been made nor interest charged in the accounts in connection with the mortgage. The Bank loan (from the Ecology Building Society) is made up as follows:

	2019	2018
	£	£
repayable		
within 1 year	11,701	7,351
1-2 years	11,701	11,027
2-5 years	35,103	33,080
more than 5 years	98,713	103,966
	<u>157,218</u>	<u>155,424</u>

The mortgages from the Ecology Building Society and The Shared Earth Trust are secured over the land and property.

#### **10. Related party transactions**

Messrs N E Howard , J Docherty and G E Strachan are trustees of Shared Earth Trust, the parent charity of DFCC Ltd. In the year to 31st March 2014, the charity had advanced monies and services to DFCC as an interest free loan repayable on demand. The Shared Earth Trust provided further finance to DFCC Ltd on the 27th June 2012, in the form of a 30 year mortgage at an annual interest rate of 5%. The principle amount was £25,000, no repayments have been made to date.

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.