

**Limited Liability Partnership Registration No. OC382028 (England and Wales)**

**HUSH HEATH ESTATE LLP**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**  
**PAGES FOR FILING WITH REGISTRAR**

# HUSH HEATH ESTATE LLP

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# HUSH HEATH ESTATE LLP

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	4		7,337,174		7,475,648
<b>Current assets</b>					
Stocks		3,526,849		3,163,613	
Debtors	5	667,036		473,185	
Cash at bank and in hand		335,590		136,039	
		<u>4,529,475</u>		<u>3,772,837</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(505,840)</u>		<u>(519,617)</u>	
<b>Net current assets</b>			<u>4,023,635</u>		<u>3,253,220</u>
<b>Total assets less current liabilities</b>			<u>11,360,809</u>		<u>10,728,868</u>
<b>Creditors: amounts falling due after more than one year</b>	7		<u>(500,000)</u>		<u>(7,436)</u>
<b>Net assets attributable to members</b>			<u><u>10,860,809</u></u>		<u><u>10,721,432</u></u>
<b>Represented by:</b>					
<b>Members' other interests</b>	8				
Members' capital classified as equity			4,852,679		4,713,302
Revaluation reserve			6,008,130		6,008,130
			<u><u>10,860,809</u></u>		<u><u>10,721,432</u></u>

The members of the limited liability partnership have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships regime.

The financial statements were approved by the members and authorised for issue on 23 July 2021 and are signed on their behalf by:

Hush Heath Hospitality Limited

**Designated member**

**Limited Liability Partnership Registration No. OC382028**

# HUSH HEATH ESTATE LLP

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Members' capital £	Revaluation reserve £	Other reserves £	Total £
<b>Balance at 1 January 2019</b>		3,339,692	6,008,130	-	9,347,822
Profit and total comprehensive income for the year		-	-	117,170	117,170
Members' capital introduced	8	1,256,440	-	-	1,256,440
Profit allocations		-	-	(117,170)	(117,170)
Other division of profits		117,170	-	-	117,170
<b>Balance at 31 December 2019</b>		4,713,302	6,008,130	-	10,721,432
Profit and total comprehensive income for the year		-	-	139,377	139,377
Profit allocations		-	-	(139,377)	(139,377)
Other division of profits		139,377	-	-	139,377
<b>Balance at 31 December 2020</b>		4,852,679	6,008,130	-	10,860,809

# HUSH HEATH ESTATE LLP

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

#### **Limited liability partnership information**

Hush Heath Estate LLP is a limited liability partnership incorporated in England and Wales. The registered office is 73 Cornhill, London, EC3V 3QQ.

The limited liability partnership's principal activities are disclosed in the Members' Report.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in December 2018, together 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. 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 the revaluation of the leasehold interest and improvements at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts accounted for on an accruals basis.

Turnover is derived from the running of the Hush Heath Wine Estate, which includes sales of wine and also sales from running of tour services.

If, at the Balance sheet date, completion of contractual obligations is dependent on external factors (and thus outside the control of the Limited Liability Partnership), then revenue is recognised only when the event occurs. In such cases, costs incurred up to the Balance sheet date are carried forward as work in progress.

# HUSH HEATH ESTATE LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.3 Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

#### 1.4 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.

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:

Leasehold interest and improvements	Over life of lease
Plant and machinery	4% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

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.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the limited liability partnership reviews the carrying amounts of its tangible 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 limited liability partnership estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# HUSH HEATH ESTATE LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 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.

#### 1.6 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.

#### 1.7 Cash at bank and in hand

Cash and cash equivalents 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.

#### 1.8 Financial instruments

The limited liability partnership 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 limited liability partnership's statement of financial position when the limited liability partnership 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, 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.

# HUSH HEATH ESTATE LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### **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 limited liability partnership 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 limited liability partnership after deducting all of its liabilities.

#### **Basic financial liabilities**

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 limited liability partnership's obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

Equity instruments issued by the limited liability partnership are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the limited liability partnership.



# HUSH HEATH ESTATE LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### 1.10 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 limited liability partnership is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits and post retirement payments to members

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

#### 1.12 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.

#### 1.13 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.

### 2 Judgements and key sources of estimation uncertainty

In the application of the limited liability partnership's accounting policies, the members 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.

# HUSH HEATH ESTATE LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 3 Employees

The average number of persons (excluding members) employed by the partnership during the year was:

	2020 Number	2019 Number
Total	49	53

### 4 Tangible fixed assets

	Leasehold interest and improvements £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 January 2020	5,380,551	2,255,257	259,290	39,590	7,934,688
Additions	10,869	80,240	17,377	-	108,486
Disposals	-	(14,212)	-	-	(14,212)
At 31 December 2020	5,391,420	2,321,285	276,667	39,590	8,028,962
<b>Depreciation and impairment</b>					
At 1 January 2020	106,293	214,444	118,187	20,116	459,040
Depreciation charged in the year	106,728	82,646	39,620	4,868	233,862
Eliminated in respect of disposals	-	(1,114)	-	-	(1,114)
At 31 December 2020	213,021	295,976	157,807	24,984	691,788
<b>Carrying amount</b>					
At 31 December 2020	5,178,399	2,025,309	118,860	14,606	7,337,174
At 31 December 2019	5,274,258	2,040,813	141,103	19,474	7,475,648

The leasehold interest and improvements have been valued on 31 December 2020 by the members. The valuation was arrived at on the basis of a valuation carried out at 31 December 2018 by independent valuers, Strutt & Parker, who are not connected with the limited liability partnership. The valuation conforms to International Valuation Standards and was based on the depreciated replacement cost due to the specialised nature of the property and is not based on the evidence of sales of similar assets in the market.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

# HUSH HEATH ESTATE LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

<b>4</b>	<b>Tangible fixed assets</b>	<b>(Continued)</b>	
		<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Cost	1,720,070	1,642,931
	Accumulated depreciation	(233,597)	(189,783)
	Carrying value	1,486,473	1,453,148
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Debtors</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	<b>Amounts falling due within one year:</b>		
	Trade debtors	432,080	365,212
	Amounts owed by group undertakings	84,798	6,289
	Other debtors	150,158	101,684
		<u>          </u>	<u>          </u>
		667,036	473,185
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Trade creditors	386,438	424,986
	Amounts owed to group undertakings	676	-
	Taxation and social security	35,713	20,465
	Other creditors	83,013	74,166
		<u>          </u>	<u>          </u>
		505,840	519,617
		<u>          </u>	<u>          </u>
<b>7</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	Bank loans	500,000	-
	Other creditors	-	7,436
		<u>          </u>	<u>          </u>
		500,000	7,436
		<u>          </u>	<u>          </u>

The bank loan is secured with fixed charge over the leasehold property of the LLP.

# HUSH HEATH ESTATE LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Reconciliation of Members' Interests

	EQUITY			TOTAL MEMBERS' INTERESTS Total 2020 £
	Members' other interests			
	Members' capital (classified as equity) £	Revaluation reserve £	Other reserves £	
Members' interests at 1 January 2020	4,713,302	6,008,130	-	10,721,432
Profit for the financial year available for discretionary division among members	-	-	139,377	139,377
Members' interests after profit for the year	4,713,302	6,008,130	139,377	10,860,809
Allocation of profit for the financial year	-	-	(139,377)	(139,377)
Other divisions of profits	139,377	-	-	139,377
Members' interests at 31 December 2020	4,852,679	6,008,130	-	10,860,809

### 9 Loans and other debts due to members

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

### 10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Asgher Sultan FCCA.

The auditor was Gerald Edelman.

## **HUSH HEATH ESTATE LLP**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **11 Related party transactions**

##### **Transactions with related parties**

During the year the LLP purchased grapes and apples amounting to £277,463 (2019: £266,945), under a grower agreement, from L Balfour-Lynn who is a majority shareholder of Hush Heath Hospitality Limited.

Management fees of £150,000 (2019: £150,000) was paid to Warwick Balfour Management Limited, a company controlled by L Balfour-Lynn.

At year end an amount of £33,192 (2019: £67,875) was due from L Balfour-Lynn.

During the year the LLP made sales of £82,695 (2019: £113,884) to companies under common control and was recharged costs of £12,377 (2019: £2,919). At year end a balance of £4,049 (2019: £25,290) was due from companies under common control.

The LLP has taken advantage of exemption, under the terms of Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

#### **12 Parent company**

The parent company of Hush Heath Estate LLP is Hush Heath Hospitality Limited, a company registered in England and Wales, and its registered office is Hush Heath Winery, Five Oak Lane, Staplehurst, Kent, United Kingdom, TN12 0HT .

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.