

Limited Liability Partnership registration number OC382028 (England and Wales)

**BALFOUR WINERY LLP**

**FORMERLY HUSH HEATH ESTATE LLP**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**BALFOUR WINERY LLP  
FORMERLY HUSH HEATH ESTATE LLP  
LIMITED LIABILITY PARTNERSHIP INFORMATION**

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<b>Designated members</b>	Balfour Hospitality Limited Hush Heath Hospitality (Kent) Limited
<b>LLP registration number</b>	OC382028
<b>Registered office</b>	73 Cornhill London EC3V 3QQ
<b>Auditor</b>	Gerald Edelman LLP 73 Cornhill London EC3V 3QQ

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**BALFOUR WINERY LLP  
FORMERLY HUSH HEATH ESTATE LLP  
CONTENTS**

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	<b>Page</b>
Members' report	1 - 2
Independent auditor's report	3 - 5
Profit and loss account	6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 20

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**BALFOUR WINERY LLP  
FORMERLY HUSH HEATH ESTATE LLP  
MEMBERS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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The members present their annual report and financial statements for the year ended 31 December 2022.

**Principal activities**

The principal activity of the limited liability partnership is that of the running of The Balfour Winery on the Hush Heath Estate. Its place of business being Balfour Winery, Five Oak Lane, Staplehurst, TNH12 0HT.

**Members' drawings, contributions and repayments**

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to their share of profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

**Designated members**

The designated members who held office during the year and up to the date of signature of the financial statements were as follows:

Balfour Hospitality Limited  
Hush Heath Hospitality (Kent) Limited

**Auditor**

The auditor, Gerald Edelman LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

**Statement of members' responsibilities**

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure to auditor**

Each of the members in office at the date of approval of this annual report confirms that:

- so far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditor is unaware, and
- the members have taken all the steps that ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditor is aware of that information.

**BALFOUR WINERY LLP  
FORMERLY HUSH HEATH ESTATE LLP  
MEMBERS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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**Going concern**

Having reviewed the company's financial forecasts and expected future cash flows, the members are confident that the LLP has adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of signing these financial statements. Accordingly, the going concern basis has been adopted in preparing the financial statements for the year ended 31 December 2022.

Approved by the members on 15 April 2024 and signed on behalf by:

Balfour Hospitality Limited  
**Designated Member**

**BALFOUR WINERY LLP  
FORMERLY HUSH HEATH ESTATE LLP  
INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF BALFOUR WINERY LLP**

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**Opinion**

We have audited the financial statements of Balfour Winery LLP (the 'limited liability partnership') for the year ended 31 December 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2022 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**BALFOUR WINERY LLP  
FORMERLY HUSH HEATH ESTATE LLP  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBERS OF BALFOUR WINERY LLP**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit.

**Responsibilities of members**

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the members are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas; posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act, tax legislation, data protection, anti-bribery, employment and health and safety.

**BALFOUR WINERY LLP  
FORMERLY HUSH HEATH ESTATE LLP  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBERS OF BALFOUR WINERY LLP**

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**Audit response to risks identified**

***Fraud due to management override***

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Audited the risk of management override of controls, including through testing journal entries for appropriateness
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

***Irregularities and non-compliance with laws and regulations***

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Reviewing minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation claims.
- Reviewing correspondence with HMRC.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance.

Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the entity and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the designated members.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mr Grant Lee FCA  
Senior Statutory Auditor  
For and on behalf of Gerald Edelman LLP**

15 April 2024

**Chartered Accountants  
Statutory Auditor**

73 Cornhill  
London  
EC3V 3QQ



**BALFOUR WINERY LLP**  
**FORMERLY HUSH HEATH ESTATE LLP**  
**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	4,372,645	4,072,010
Direct cost of sales		(2,562,571)	(2,004,366)
Stock movement		889,595	(617,241)
		<hr/>	<hr/>
Cost of sales		(1,672,976)	(2,621,607)
		<hr/>	<hr/>
<b>Gross profit</b>		2,699,669	1,450,403
Administrative expenses		(2,484,489)	(1,896,713)
Other operating income		32,295	197,777
Intra group management fees		(25,000)	(25,000)
		<hr/>	<hr/>
<b>Operating profit/(loss)</b>	<b>4</b>	222,475	(273,533)
Interest payable and similar expenses	<b>7</b>	(68,764)	(29,506)
		<hr/>	<hr/>
<b>Profit/(loss) for the financial year before members' remuneration and profit shares available for discretionary division among members</b>		153,711	(303,039)
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The profit and loss account has been prepared on the basis that all operations are continuing operations.

**BALFOUR WINERY LLP**  
**FORMERLY HUSH HEATH ESTATE LLP**  
**STATEMENT OF COMPREHENSIVE INCOME**  
***FOR THE YEAR ENDED 31 DECEMBER 2022***

	2022 £	2021 £
Profit/(loss) for the financial year available for discretionary division among members	153,711	(303,039)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>153,711</u>	<u>(303,039)</u>

**BALFOUR WINERY LLP**  
**FORMERLY HUSH HEATH ESTATE LLP**  
**BALANCE SHEET**

**AS AT 31 DECEMBER 2022**

		2022		2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		7,450,834		7,209,390
<b>Current assets</b>					
Stocks	9	3,799,203		2,909,608	
Debtors	10	2,231,739		2,402,232	
Cash at bank and in hand		1,086,648		428,425	
		<u>7,117,590</u>		<u>5,740,265</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(1,368,610)</u>		<u>(929,385)</u>	
<b>Net current assets</b>			<u>5,748,980</u>		<u>4,810,880</u>
<b>Total assets less current liabilities</b>			<u>13,199,814</u>		<u>12,020,270</u>
<b>Creditors: amounts falling due after more than one year</b>	12		<u>(2,488,333)</u>		<u>(1,462,500)</u>
<b>Net assets attributable to members</b>			<u><u>10,711,481</u></u>		<u><u>10,557,770</u></u>
<b>Represented by:</b>					
<b>Members' other interests</b>	15				
Members' capital classified as equity			4,703,351		4,549,640
Revaluation reserve			6,008,130		6,008,130
			<u><u>10,711,481</u></u>		<u><u>10,557,770</u></u>

The financial statements were approved by the members and authorised for issue on 15 April 2024 and are signed on their behalf by:

Balfour Hospitality Limited  
**Designated member**

**Limited Liability Partnership registration number OC382028 (England and Wales)**

**BALFOUR WINERY LLP**  
**FORMERLY HUSH HEATH ESTATE LLP**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Members' capital £	Revaluation reserve £	Other reserves £	Total £
<b>Balance at 1 January 2021</b>	4,852,679	6,008,130	-	10,860,809
<b>Year ended 31 December 2021:</b>				
Loss and total comprehensive income for the year	-	-	(303,039)	(303,039)
Profit allocations	-	-	303,039	303,039
Other division of profits	(303,039)	-	-	(303,039)
<b>Balance at 31 December 2021</b>	4,549,640	6,008,130	-	10,557,770
<b>Year ended 31 December 2022:</b>				
Loss and total comprehensive income for the year	-	-	153,711	153,711
Profit allocations	-	-	(153,711)	(153,711)
Other division of profits	153,711	-	-	153,711
<b>Balance at 31 December 2022</b>	4,703,351	6,008,130	-	10,711,481

**BALFOUR WINERY LLP**  
**FORMERLY HUSH HEATH ESTATE LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1 Accounting policies**

**Limited liability partnership information**

Balfour Winery 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 2021, 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.

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 Going concern**

At the time of approving the financial statements, the members have a reasonable expectation that the limited liability partnership has adequate resources to continue in operational existence for the foreseeable future. Thus the members continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 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 Balfour Winery, which includes sales of wine and also sales from running of tour services.

**1.4 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.

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.

**1.5 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.

**BALFOUR WINERY LLP**  
**FORMERLY HUSH HEATH ESTATE LLP**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1 Accounting policies**

**(Continued)**

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.

**1.6 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.

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.

**1.7 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.

**1.8 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.

**BALFOUR WINERY LLP**  
**FORMERLY HUSH HEATH ESTATE LLP**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1 Accounting policies**

**(Continued)**

**1.9 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.

**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.

**BALFOUR WINERY LLP**  
**FORMERLY HUSH HEATH ESTATE LLP**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1 Accounting policies**

**(Continued)**

***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.

**1.10 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.

**1.11 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.

**1.12 Retirement benefits and post retirement payments to members**

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

**1.13 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.

**1.14 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.



**BALFOUR WINERY LLP**  
**FORMERLY HUSH HEATH ESTATE LLP**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**1 Accounting policies**

**(Continued)**

**1.15 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**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.

**3 Turnover**

An analysis of the limited liability partnership's turnover is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Turnover analysed by class of business</b>		
Sale of winery products	4,372,645	4,072,010
	<b>=====</b>	<b>=====</b>

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Other significant revenue</b>		
Grants received	16,000	197,777
	<b>=====</b>	<b>=====</b>

**4 Operating profit/(loss)**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange gains	(20,002)	-
Government grants	(16,000)	(197,777)
Fees payable to the LLP's auditor for the audit of the LLP's financial statements	27,595	14,999
Depreciation of owned tangible fixed assets	237,541	238,985
Profit on disposal of tangible fixed assets	(5,493)	(322)
	<b>=====</b>	<b>=====</b>

**BALFOUR WINERY LLP**  
**FORMERLY HUSH HEATH ESTATE LLP**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**5 Employees**

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

<b>2022</b>	<b>2021</b>
<b>Number</b>	<b>Number</b>
67	61
<b>=====</b>	<b>=====</b>

Their aggregate remuneration comprised:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,112,854	962,118
Social security costs	107,847	90,193
Pension costs	18,284	19,494
	<b>=====</b>	<b>=====</b>
	1,238,985	1,071,805
	<b>=====</b>	<b>=====</b>

**6 Information in relation to members**

<b>2022</b>	<b>2021</b>
<b>Number</b>	<b>Number</b>
-	-
<b>=====</b>	<b>=====</b>

Average number of members during the year

**7 Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest on bank overdrafts and loans	67,747	29,854
Loan arrangement fees	833	-
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	184	(348)
	<b>=====</b>	<b>=====</b>
Total finance costs	68,764	29,506
	<b>=====</b>	<b>=====</b>

**BALFOUR WINERY LLP**  
**FORMERLY HUSH HEATH ESTATE LLP**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**8 Tangible fixed assets**

	Leasehold interest and improvements £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 January 2022	5,396,383	2,369,662	336,006	30,162	8,132,413
Additions	375,093	44,505	36,353	30,325	486,276
Disposals	-	(4,287)	-	(15,995)	(20,282)
At 31 December 2022	5,771,476	2,410,080	372,359	44,492	8,598,407
<b>Depreciation and impairment</b>					
At 1 January 2022	321,269	378,931	202,357	20,466	923,023
Depreciation charged in the year	107,944	81,278	39,263	9,056	237,541
Eliminated in respect of disposals	-	(792)	-	(12,199)	(12,991)
At 31 December 2022	429,213	459,417	241,620	17,323	1,147,573
<b>Carrying amount</b>					
At 31 December 2022	5,342,263	1,950,663	130,739	27,169	7,450,834
At 31 December 2021	5,075,114	1,990,931	133,649	9,696	7,209,390

The leasehold interest and improvements have been valued on 31 December 2021 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:

	<b>2022</b> £	<b>2021</b> £
Cost	2,173,427	1,758,115
Accumulated depreciation	(318,674)	(268,060)
Carrying value	1,854,753	1,490,055
<b>9 Stocks</b>		
	<b>2022</b> £	<b>2021</b> £
Finished goods and goods for resale	3,799,203	2,909,608

**BALFOUR WINERY LLP**  
**FORMERLY HUSH HEATH ESTATE LLP**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**10 Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	382,048	733,213
Amounts owed by group undertakings	1,659,857	1,601,169
Other debtors	160,749	11,145
Prepayments and accrued income	29,085	56,705
	<u>2,231,739</u>	<u>2,402,232</u>

The amounts owed by group undertakings is interest free and there are no terms of repayment. This includes an amount of £1,473,985 (2021: 1,584,278) due from members.

**11 Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
	<b>Notes</b>	
Bank loans	<b>13</b>	37,500
Obligations under finance leases	-	1,528
Trade creditors	830,444	583,375
Other taxation and social security	289,320	171,349
Other creditors	24,078	6,955
Accruals and deferred income	224,768	128,678
	<u>1,368,610</u>	<u>929,385</u>

**BALFOUR WINERY LLP**  
**FORMERLY HUSH HEATH ESTATE LLP**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**12 Creditors: amounts falling due after more than one year**

	Notes	2022 £	2021 £
Bank loans and overdrafts	13	2,488,333	1,462,500

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

**13 Loans and overdrafts**

	2022 £	2021 £
Bank loans	2,488,333	1,500,000
Payable within one year	-	37,500
Payable after one year	2,488,333	1,462,500

The loan is secured with a fixed charge over the leasehold property of the Winery.

The final repayment date is 5 years after the first tranche of the loan amount was drawn. The interest on the loan is 2.95% over the lender's base rate.

**14 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.

**15 Reconciliation of Members' Interests**

	EQUITY Members' other interests			TOTAL MEMBERS' INTERESTS
	Members' capital £	Revaluation reserve £	Other reserves £	Total 2022 £
Members' interests at 1 January 2022	4,549,640	6,008,130	-	10,557,770
Profit for the financial year available for discretionary division among members	-	-	153,711	153,711
Members' interests after profit for the year	4,549,640	6,008,130	153,711	10,711,481
Allocation of profit for the financial year	-	-	(153,711)	(153,711)
Other divisions of profits	153,711	-	-	153,711
Members' interests at 31 December 2022	4,703,351	6,008,130	-	10,711,481

**BALFOUR WINERY LLP**  
**FORMERLY HUSH HEATH ESTATE LLP**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
***FOR THE YEAR ENDED 31 DECEMBER 2022***

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**16 Financial commitments, guarantees and contingent liabilities**

There is a composite guarantee between Balfour Winery LLP and its parent company, Balfour Hospitality Limited.

**BALFOUR WINERY LLP  
FORMERLY HUSH HEATH ESTATE LLP  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**17 Related party transactions**

**Transactions with related parties**

During the year the LLP purchased grapes and apples amounting to £372,366 (2021: £335,634), under a grower agreement, from L Balfour-Lynn who is a majority shareholder of Balfour Hospitality Limited.

During the year the LLP reimbursed expenses of £2,224 incurred by L Balfour-Lynn.

Management fees of £200,000 (2021: £150,000) was paid to Warwick Balfour Management Limited, a company controlled by L Balfour-Lynn.

At year end an amount of £24,028 (2021: £8,772) was due from L Balfour-Lynn.

During the year, fees amounting to £170,970 (2021: £52,003) were charged to companies controlled by L Balfour-Lynn. At the year end these companies owed £112,364 (2021: £15,067) to the LLP.

The LLP has taken advantage of exemption, under the terms of Financial Reporting Standard 102 '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.

**18 Ultimate controlling party**

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

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