

**FARNHAM ESTATES LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**For the Year Ended 31 March 2019**



**FARNHAM ESTATES LIMITED**  
Registered number: 2877267

**STATEMENT OF FINANCIAL POSITION**  
As at 31 March 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	5	11,973	19,657
Investment property	6	9,365,632	9,330,372
		<u>9,377,605</u>	<u>9,350,029</u>
<b>Current assets</b>			
Stocks	7	7,773,947	4,583,382
Debtors: amounts falling due within one year	8	186,225	58,680
Cash at bank and in hand	9	336,532	811,612
		<u>8,296,704</u>	<u>5,453,674</u>
Creditors: amounts falling due within one year	10	(2,753,620)	(373,848)
<b>Net current assets</b>		<u>5,543,084</u>	<u>5,079,826</u>
<b>Total assets less current liabilities</b>		<u>14,920,689</u>	<u>14,429,855</u>
Creditors: amounts falling due after more than one year	11	(9,880,000)	(9,380,000)
<b>Net assets</b>		<u><u>5,040,689</u></u>	<u><u>5,049,855</u></u>
<b>Capital and reserves</b>			
Called up share capital		10,000	10,000
Profit and loss - non distributable fair value reserve		2,651,557	2,651,557
Profit and loss account		2,379,132	2,388,298
		<u><u>5,040,689</u></u>	<u><u>5,049,855</u></u>

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**FARNHAM ESTATES LIMITED**  
**Registered number: 2877267**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**As at 31 March 2019**

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The director considers that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
.....  
**R R Lewis**  
Director

Date: 5/11/2019

The notes on pages 3 to 11 form part of these financial statements.

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## **FARNHAM ESTATES LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS** **For the Year Ended 31 March 2019**

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

Farnham Estates Limited, (2877267), is a private company limited by shares. It is incorporated in England and Wales. The registered office is Wey Court West, Union Road, Farnham, Surrey, GU9 7PT.

The presentation currency of the company is GBP. The financial statements are rounded to the nearest £.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### **2.2 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

###### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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## FARNHAM ESTATES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2019

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#### 2. Accounting policies (continued)

##### 2.3 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	- 25% straight line
Motor vehicles	- 25% straight line
Fixtures & fittings	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

##### 2.4 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

##### 2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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## **FARNHAM ESTATES LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS** **For the Year Ended 31 March 2019**

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#### **2. Accounting policies (continued)**

##### **2.8 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

##### **2.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **2.10 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.11 Pensions**

###### **Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

##### **2.12 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

##### **2.13 Borrowing costs**

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

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## FARNHAM ESTATES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2019

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#### 2. Accounting policies (continued)

##### 2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

##### 2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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**FARNHAM ESTATES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2019**

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**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In the application of the Company's accounting policies management is required to make judgments, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Valuation of investment properties

As described in note 6, investment properties are stated at fair value based upon a valuation performed by the directors. The directors closely track commercial property price movements and rental yields.

**4. Employees**

The average monthly number of employees, including directors, during the year was 3 (2018 - 3).

**5. Tangible fixed assets**

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>				
At 1 April 2018	26,359	38,732	53,104	118,195
Additions	-	-	8,290	8,290
Disposals	(4,602)	-	(17,713)	(22,315)
At 31 March 2019	21,757	38,732	43,681	104,170
<b>Depreciation</b>				
At 1 April 2018	22,464	31,482	44,592	98,538
Charge for the year on owned assets	1,297	7,250	7,427	15,974
Disposals	(4,602)	-	(17,713)	(22,315)
At 31 March 2019	19,159	38,732	34,306	92,197
<b>Net book value</b>				
At 31 March 2019	2,598	-	9,375	11,973
At 31 March 2018	3,895	7,250	8,512	19,657



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**FARNHAM ESTATES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2019**

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**6. Investment property**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 April 2018	<b>9,330,372</b>
Additions at cost	<b>35,260</b>
<b>At 31 March 2019</b>	<b><u>9,365,632</u></b>

The 2019 valuations were made by Mr R Barrett an external chartered surveyor, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	<b>2019 £</b>	<b>2018 £</b>
Historic cost	<b><u>6,714,074</u></b>	<b><u>6,678,814</u></b>

**7. Stocks**

	<b>2019 £</b>	<b>2018 £</b>
Work in progress	<b><u>7,773,947</u></b>	<b><u>4,583,382</u></b>

**8. Debtors**

	<b>2019 £</b>	<b>2018 £</b>
Trade debtors	<b>103,096</b>	<b>38,783</b>
Other debtors	<b>27,808</b>	<b>-</b>
Prepayments and accrued income	<b>54,211</b>	<b>18,787</b>
Deferred taxation	<b>1,110</b>	<b>1,110</b>
	<b><u>186,225</u></b>	<b><u>58,680</u></b>

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**FARNHAM ESTATES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2019**

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**9. Cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	<u>336,531</u>	<u>811,612</u>

**10. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Bank loans	350,000	-
Trade creditors	285,783	67,118
Corporation tax	-	11,687
Other taxation and social security	14,151	21,249
Other creditors	1,842,869	46,067
Accruals and deferred income	260,817	227,727
	<u>2,753,620</u>	<u>373,848</u>

**11. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Bank loans	4,780,000	5,130,000
Other creditors	5,100,000	4,250,000
	<u>9,880,000</u>	<u>9,380,000</u>

**Secured Loans**

The bank loan of £350,000 (2018 £350,000) is an interest only loan and is repayable on the 27/07/2019. The rate of interest on the loan is fixed at 2.9% over LIBOR. The loan is guaranteed by Mr R R Lewis.

The bank loan of £2,580,000 (2018 £2,580,000) is an interest only loan and is repayable on the 03/04/2020. The rate of interest on the loan is fixed at 2.9% over LIBOR. The loan is guaranteed by Mr R R Lewis.

The bank loan of £2,200,000 (2018 £2,200,000) is an interest only loan and is repayable on the 04/09/2020. The rate of interest on the loan is fixed at 2.7% over LIBOR. The loan is guaranteed by Mr R R Lewis.

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**FARNHAM ESTATES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2019**

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**12. Loans**

Analysis of the maturity of loans is given below:

	2019 £	2018 £
<b>Amounts falling due within one year</b>		
Bank loans	350,000	-
<b>Amounts falling due 1-2 years</b>		
Bank loans	4,780,000	5,130,000
	<u>5,130,000</u>	<u>5,130,000</u>

**13. Deferred taxation**

	2019 £
At beginning of year	1,110
<b>At end of year</b>	<u>1,110</u>

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	1,110	1,110

**14. Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £4,824 (2018 - £3,000). At the balance sheet date there were unpaid contributions of £Nil (2018 - £775).

**15. Related party transactions**

During the previous year the company borrowed £850,000 from The Cecil and Hilda Lewis Charitable Trust. Mr R R Lewis is a trustee. The loan was an arms length transaction, repayable by 30th September 2020 and the Trust is charging interest at a market rate. The amount outstanding as at 31 March 2019 is £1,500,000 (2018 £650,000).

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**FARNHAM ESTATES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2019**

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**16. Controlling party**

During the year the company was under the control of Mr R R Lewis. He is considered the ultimate controlling party.