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COMPANY REGISTRATION NUMBER: 01227521

John Davies (Farms) Limited

Unaudited Financial Statements

31 December 2016



HOWELL DAVIES LIMITED
Chartered accountant
Tudor House
37a Birmingham New Road
Wolverhampton
West Midlands
WV4 6BL

John Davies (Farms) Limited

Financial Statements

Year ended 31 December 2016

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John Davies (Farms) Limited

Officers and Professional Advisers

The Board of Directors	E L Davies S J Fox-Davies J Davies J D M Davies
Company Secretary	S J Fox-Davies
Registered Office	Swancote Farm Bridgnorth Shropshire WV15 5HD
Accountants	Howell Davies Limited Chartered accountant Tudor House 37a Birmingham New Road Wolverhampton West Midlands WV4 6BL

John Davies (Farms) Limited

Chartered Accountant's Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of John Davies (Farms) Limited

Year ended 31 December 2016

As described on the statement of financial position, the directors of the company are responsible for the preparation of the financial statements for the year ended 31 December 2016, which comprise the statement of financial position and the related notes.

You consider that the company is exempt from an audit under the Companies Act 2006.

In accordance with your instructions we have compiled these financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and from information and explanations supplied to us.

HOWELL DAVIES LIMITED
Chartered accountant

Tudor House
37a Birmingham New Road
Wolverhampton
West Midlands
WV4 6BL

21 July 2017

John Davies (Farms) Limited

Statement of Financial Position

31 December 2016

	Note	2016 £	2016 £	2015 £
Fixed Assets				
Tangible assets	**7**		9,337,867	*9,169,239*
Current Assets				
Stocks	**8**	75,065		*97,445*
Debtors	**9**	167,206		*64,645*
		242,271		*162,090*
Creditors: amounts falling due within one year	**10**	1,205,618		*1,542,523*
Net Current Liabilities			963,347	*1,380,433*
Total Assets Less Current Liabilities			8,374,520	*7,788,806*
Creditors: amounts falling due after more than one year	**11**		768,580	*357,724*
Provisions				
Taxation including deferred tax			80,047	*49,712*
Net Assets			7,525,893	*7,381,370*
Capital and Reserves				
Called up share capital			330,000	*330,000*
Fair value reserve			6,309,099	*6,309,099*
Profit and loss account			886,794	*742,271*
Members Funds			7,525,893	*7,381,370*

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 income and retained earnings has not been delivered.

For the year ending 31 December 2016 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.

The statement of financial position
continues on the following page.

The notes on pages 5 to 11 form part of these financial statements.

Statement of Financial Position *(continued)*

31 December 2016

These financial statements were approved by the board of directors and authorised for issue on 21 July 2017, and are signed on behalf of the board by:



J D M Davies
Director

Company registration number: 01227521

The notes on pages 5 to 11 form part of these financial statements.

1. General Information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Swancote Farm, Bridgnorth, Shropshire, WV15 5HD.

2. Statement of Compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, '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.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 15.

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.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Useful economic lives of tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 7 for the carrying amount of the property plant and equipment.

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.

3. Accounting Policies *(continued)*

Revenue Recognition *(continued)*

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.

Deferred Tax

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non-discounted basis at the average tax rates that would apply when the timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date.

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 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:

Imp to Agric Land & Buildings	-	10% straight line
Farm Fixtures & Fittings	-	10% reducing balance
Motor Vehicles	-	25% reducing balance

No depreciation is provided for on Freehold Land and Buildings.

3. Accounting Policies *(continued)*

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.

Finance Leases and Hire Purchase Contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

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. Staff Costs

The average number of persons employed by the company during the year, including the directors, amounted to 2 (2015: 3).

5. Profit Before Taxation

Profit before taxation is stated after charging:

	2016 £	2015 £
Depreciation of tangible assets	61,970	*44,551*

6. Tax on Profit

Major components of tax expense

	2016 £	2015 £
Current tax:		
UK current tax expense	5,795	–

6. Tax on Profit *(continued)*

	2016 £	2015 £
Deferred tax:		
Origination and reversal of timing differences	30,335	*49,712*
Tax on profit	36,130	*49,712*

7. Tangible Assets

	Freehold Land & Buildings £	Imp to Agric Land & Buildings £	Farm, Fixtures and fittings £	Motor vehicles £	**Total £**
Cost					
At 1 January 2016	8,786,274	263,229	893,485	19,978	9,962,966
Additions	–	–	230,598	–	230,598
At 31 December 2016	8,786,274	263,229	1,124,083	19,978	10,193,564
Depreciation					
At 1 January 2016	–	253,270	523,931	16,526	793,727
Charge for the year	–	4,270	56,837	863	61,970
At 31 December 2016	–	257,540	580,768	17,389	855,697
Carrying amount					
At 31 December 2016	8,786,274	5,689	543,315	2,589	9,337,867
At 31 December 2015	8,786,274	9,959	369,554	3,452	*9,169,239*

8. Stocks

	2016 £	2015 £
Raw materials and consumables	75,065	*97,445*

9. Debtors

	2016 £	2015 £
Trade debtors	151,843	*50,752*
Other debtors	15,363	*13,893*
	167,206	*64,645*

10. Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	306,300	*242,444*
Trade creditors	37,493	*60,937*
Amounts owed to related companies	342,643	*342,867*
Corporation tax	5,795	–
Social security and other taxes	82,413	*80,709*
Other creditors	430,974	*815,566*
	1,205,618	*1,542,523*

The bank loan and overdraft are secured by fixed and floating charges over the company's assets.

Hire purchase borrowings are secured on the assets concerned.

11. Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans	747,259	*308,552*
Other creditors	21,321	*49,172*
	768,580	*357,724*

The bank loan is secured by fixed and floating charges over the company's assets.

Hire purchase borrowings are secured on the assets concerned.

Included within creditors: amounts falling due after more than one year is an amount of £247,949 (2015: £100,533) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The liabilities due after more than five years relate to bank loans with quarterly and monthly repayments. The loans attract an interest rate of 2.8% above the GBP LIBOR rate.

12. Deferred Tax

The deferred tax included in the statement of financial position is as follows:

	2016	2015
	£	£
Included in provisions	80,047	*49,712*

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016	2015
	£	£
Accelerated capital allowances	80,047	*49,712*

13. Directors' Advances, Credits and Guarantees

During the year the directors entered into the following advances and credits with the company:

	2016			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	**Balance outstanding**
	£	£	£	**£**
E L Davies	(100)	–	–	(100)
S J Fox-Davies	(100)	(80,000)	–	(80,100)
J D M Davies	(579,066)	–	579,066	–
	(579,266)	(80,000)	579,066	(80,200)

	2015			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	*Balance outstanding*
	£	£	£	£
E L Davies	(100)	–	–	*(100)*
S J Fox-Davies	(100)	–	–	*(100)*
J D M Davies	–	(579,066)	–	*(579,066)*
	(200)	(579,066)	–	*(579,266)*

14. Related Party Transactions

The company was under the control of Mr J D M Davies throughout the current and previous year. Mr J D M Davies is the managing director and majority shareholder.

At the year end, the company owed ICC (Three) Limited an amount of £245,287 (2015: £245,287) and Arnold Davies (Pullet Rearers) Limited an amount of £97,330 (2015: £97,580). Both of these companies are under the control of Mr J D M Davies.

15. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in equity or profit or loss for the year.