

Company Registration No. 05317618 (England and Wales)

HOP FARM REAL ESTATE LTD
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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HOP FARM REAL ESTATE LTD

COMPANY INFORMATION

Director	Mrs D M Bull	(Appointed 7 March 2013)
Company number	05317618	
Registered office	23 St Leonards Road Bexhill-on-Sea East Sussex TN40 1HH	
Auditors	McPhersons CFG Limited 23 St Leonards Road Bexhill-on-Sea East Sussex TN40 1HH	
Business address	The Hop Farm Country Park Beltring Paddock Wood Kent TN12 6PY	
Bankers	Coutts & Co 440 Strand London WC2R 0QS	

HOP FARM REAL ESTATE LTD

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HOP FARM REAL ESTATE LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The director presents her report and financial statements for the year ended 31 December 2012

Principal activities and review of the business

The principal activity of the company continued to be that of property rental

The directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. The review is consistent with the size and noncomplex nature of the business and is written in the context of the risks and uncertainties faced by the business.

As a property rental company, renting solely to the subsidiary company, we consider the key financial performance indicator to be that which communicates the financial strength of the company as a whole, being net assets. At the start of the year the net assets of the company were £2,355,217. During the year the company incurred a loss of £2,690,888 as a result of a bad debt incurred in respect of the company's wholly owned subsidiary, Hop Farm Trading Limited. Whilst these results for the year and the financial position at the year end were considered in line with expectations, the company's reserves were nevertheless reduced to leave net liabilities at the balance sheet date of £335,617.

However the company has restructured since the balance sheet date. As a result the directors are satisfied that the group is now in a position to move forward and return to solvency in due course.

Results and dividends

The results for the year are set out on page 5.

The directors recommend that no dividend be paid for the year.

Future developments

The directors continue to review opportunities for future developments, and will expand the business as and when such opportunities arise.

Directors

The following directors have held office since 1 January 2012

Mr J R Elton	(Appointed 11 June 2012 and resigned 15 February 2013)
Mr D J McGivern	(Appointed 11 June 2012 and resigned 15 February 2013)
Mrs D M Bull	(Appointed 7 March 2013)
Mr G M L Gillon	(Appointed 11 June 2012 and resigned 15 February 2013)

Auditors

In accordance with the company's articles, a resolution proposing that McPhersons CFG Limited be reappointed as auditors of the company will be put at a General Meeting.

HOP FARM REAL ESTATE LTD

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is 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 company will continue in business

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable her to ensure that the financial statements comply with the Companies Act 2006. She is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the director has taken all the necessary steps that she ought to have taken as director in order to make herself aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mrs D M Bull

Director

25 September 2013

HOP FARM REAL ESTATE LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HOP FARM REAL ESTATE LTD

We have audited the financial statements of Hop Farm Real Estate Ltd for the year ended 31 December 2012 set out on pages 5 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 1 - 2, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss 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.

Emphasis of matter

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the uncertainty as to the continuation and renewal of the bank overdraft facility. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

HOP FARM REAL ESTATE LTD

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF HOP FARM REAL ESTATE LTD

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or

Mr Mark Finch ACA FCCA (Senior Statutory Auditor)
for and on behalf of McPhersons CFG Limited

26.9.2013

Chartered Accountants
Statutory Auditor

23 St Leonards Road
Bexhill-on-Sea
East Sussex
TN40 1HH

HOP FARM REAL ESTATE LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
Turnover	2	160,000	174,000
Administrative expenses		(160,199)	(42,486)
Operating (loss)/profit	3	(199)	131,514
Exceptional bad debt		(2,577,077)	-
		(2,577,077)	-
(Loss)/profit on ordinary activities before interest		(2,577,276)	131,514
Interest payable and similar charges	4	(113,612)	(160,538)
Loss on ordinary activities before taxation		(2,690,888)	(29,024)
Tax on loss on ordinary activities	5	-	-
Loss for the year	13	(2,690,888)	(29,024)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

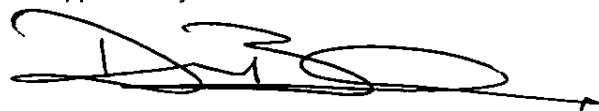
HOP FARM REAL ESTATE LTD

BALANCE SHEET

AS AT 31 DECEMBER 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	6 and 7	6,408,349		6,331,833	
Investments	8		1		1
		6,408,350		6,331,834	
Current assets					
Debtors	9	-		2,805,829	
		-		2,805,829	
Creditors: amounts falling due within one year	10	(3,898,021)		(3,936,446)	
Net current liabilities		(3,898,021)		(1,130,617)	
Total assets less current liabilities		2,510,329		5,201,217	
Creditors: amounts falling due after more than one year	11	(2,846,000)		(2,846,000)	
		(335,671)		2,355,217	
Capital and reserves					
Called up share capital	12	400		400	
Revaluation reserve	13	(127,396)		(127,396)	
Other reserves	13	3,584,773		3,584,773	
Profit and loss account	13	(3,793,448)		(1,102,560)	
Shareholders' funds	14	(335,671)		2,355,217	

Approved by the Board and authorised for issue on 25 September 2013



Mrs D M Bull
Director

Company Registration No. 05317618

HOP FARM REAL ESTATE LTD

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

	£	2012 £	£	2011 £
Net cash inflow from operating activities		227,953		303,538
Returns on investments and servicing of finance				
Interest paid	(113,612)		(160,538)	
Net cash outflow for returns on investments and servicing of finance		(113,612)		(160,538)
Capital expenditure				
Payments to acquire tangible assets	(76,516)		(46,833)	
Net cash outflow for capital expenditure		(76,516)		(46,833)
Net cash inflow before management of liquid resources and financing		37,825		96,167
Financing				
Other new long term loans	-		2,750,000	
Repayment of other short term loans	-		(2,850,000)	
Net cash outflow from financing		-		(100,000)
Increase/(decrease) in cash in the year		37,825		(3,833)

HOP FARM REAL ESTATE LTD

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

1	Reconciliation of operating (loss)/profit to net cash inflow from operating activities	2012	2011
		£	£
	Operating (loss)/profit	(199)	131,514
	Decrease in debtors	2,805,829	172,024
	(Decrease)/Increase in creditors within one year	(600)	-
	Cash flow relating to bad debt (note 4)	(2,577,077)	-
	Net cash inflow from operating activities	227,953	303,538

2	Analysis of net debt	1 January 2012	Cash flow	Other non-cash changes	31 December 2012
		£	£	£	£
	Net cash				
	Bank overdrafts	(37,825)	37,825	-	-
	Bank deposits	-	-	-	-
	Debt				
	Debts falling due within one year	(3,750,000)	-	-	(3,750,000)
	Debts falling due after one year	(2,846,000)	-	-	(2,846,000)
		(6,596,000)	-	-	(6,596,000)
	Net debt	(6,633,825)	37,825	-	(6,596,000)

3	Reconciliation of net cash flow to movement in net debt	2012	2011
		£	£
	Increase/(decrease) in cash in the year	37,825	(3,833)
	Cash (inflow)/outflow from (increase)/decrease in debt	-	100,000
	Movement in net debt in the year	37,825	96,167
	Opening net debt	(6,633,825)	(6,729,992)
	Closing net debt	(6,596,000)	(6,633,825)

4 Cash flow relating to exceptional items

The decrease in debtors included in the reconciliation of net cash inflow from operating activities includes £2,577,077 relating to a bad debt provision against a subsidiary, included in exceptional items

HOP FARM REAL ESTATE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

The company incurred a loss for the year of £2,690,888. Cumulative trading losses at the balance sheet date amounted to £3,793,448. The loss for the year was created by an exceptional bad debt write off of funds owing from a subsidiary placed into liquidation after the balance sheet date. The assets and trade of this subsidiary have been transferred to a new company and the director anticipates that normal trading results will be resumed in 2013.

The director has prepared projected cash flow information for the period ending 9 months from the date of their approval of these financial statements. On the basis of this cash flow information and discussions with company's bankers, the director considers that the company will continue to operate within the facility currently agreed and within that which they expect will be agreed on 17 December 2013, when the company's bankers will consider renewing the facility for a further year. The company maintains a good relationship with its bankers and creditors.

In the short and medium term the ability of the Group to continue to trade is dependent upon the continued support of the Groups bankers, and of the former director and controlling party, Mr D P Bull, who has indicated that his support will continue to be forthcoming. The director is therefore satisfied that it remains appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the loan facility provided by the company's bankers.

1.2 Turnover

Turnover represents rents receivable from properties. Rent received is recognised for the period for which it is receivable.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Country park land and buildings	see below
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Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the director compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

In the opinion of the director, the net residual value of the company's freehold land and buildings is at least equal to the value shown in the financial statements, taking into account the level of maintenance and refurbishment that the company intends to undertake over the useful economic life of the property. No depreciation has therefore been provided on freehold land and buildings, on the grounds that any depreciation would be immaterial.

HOP FARM REAL ESTATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies (continued)

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.5 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.6 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 405 of the Companies Act 2006 on two counts. Its subsidiary undertaking The Hop Farm Limited is dormant and its inclusion is not material for the purpose of giving a true and fair view. The subsidiary undertaking Hop Farm Trading Limited was also placed into liquidation on 5 March 2013. This severe long term restriction will hinder the exercise rights of the parent company over the assets of that undertaking.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating (loss)/profit	2012 £	2011 £
	Operating (loss)/profit is stated after charging		
	Auditors' remuneration (including expenses and benefits in kind)	1,900	2,500

Included in exceptional items is a full provision of £2,577,077 against a bad debt owing to the company from its 100% owned subsidiary Hop Farm Trading Limited which went into liquidation on 5 March 2013.

4	Interest payable	2012 £	2011 £
	On bank loans and overdrafts	497	3,117
	On other loans wholly repayable within five years	113,115	157,421
		113,612	160,538

HOP FARM REAL ESTATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

5	Taxation	2012	2011
	Total current tax	-	-
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(2,690,888)	(29,024)
		<u> </u>	<u> </u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2011 - 0.00%)	-	-
		<u> </u>	<u> </u>
	Current tax charge for the year	-	-
		<u> </u>	<u> </u>

The company has estimated losses of £ 113,811 (2011 - £ nil) available for carry forward against future trading profits

On the basis of these financial statements no provision has been made for corporation tax

6	Tangible fixed assets	Land and buildings
		£
	Cost or valuation	
	At 1 January 2012 & at 31 December 2012	5,400,000
		<u> </u>
	Depreciation	
	At 1 January 2012 & at 31 December 2012	-
		<u> </u>
	Net book value	
	At 31 December 2012	5,400,000
		<u> </u>
	At 31 December 2011	5,400,000
		<u> </u>

The freehold land and buildings were valued on 17th August 2011 by an external valuer, Liz Crawford MRICS, of GVA Humberts Leisure on an open market basis

HOP FARM REAL ESTATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

7 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 January 2012	931,833
Additions	76,516
At 31 December 2012	1,008,349
Net book value	
At 31 December 2012	1,008,349
At 31 December 2011	931,833

The investment properties were valued on 17th August 2011 by an external valuer, Liz Crawford MRICS, of GVA Humberts Leisure on an open market basis. No depreciation is provided in respect of these properties. The director does not believe there has been any material change in this value at 31 December 2012, subject to the cost of property improvements in the year.

On an historical cost basis these would have been included at an original cost of £1,253,259 (2011 - £1,176,743).

HOP FARM REAL ESTATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

8 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2012 & at 31 December 2012	1
Net book value	
At 31 December 2012	1
At 31 December 2011	1

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Hop Farm Trading Ltd	UK	Ordinary	100 00
The Hop Farm Ltd	UK	Ordinary	100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Principal activity	Capital and reserves 2012 £	Profit/(loss) for the year 2012 £
Hop Farm Trading Ltd	Running of a country park	(6,718,071)	(1,294,850)
The Hop Farm Ltd	Dormant company	1	-

Hop Farm Trading Limited went into liquidation on 5 March 2013 and financial information with regard to profit/(loss) and capital and reserves is not available. The last relevant financial year for this company is 31 December 2011

9 Debtors	2012 £	2011 £
Amounts owed by subsidiary undertakings	-	2,805,829

HOP FARM REAL ESTATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

10 Creditors amounts falling due within one year	2012 £	2011 £
Bank loans and overdrafts	3,750,000	3,787,825
Other creditors	38,521	38,521
Accruals and deferred income	109,500	110,100
	<u>3,898,021</u>	<u>3,936,446</u>

The bank loan and overdraft are secured by way of a debenture over the company's assets and a legal charge over the land adjacent to Hop Farm Country Park, in addition there was a cross guarantee from the subsidiary company Hop Farm Trading Limited at the balance sheet date

11 Creditors amounts falling due after more than one year	2012 £	2011 £
Other loans	<u>2,846,000</u>	<u>2,846,000</u>
Analysis of loans		
Wholly repayable within five years	<u>6,596,000</u>	<u>6,596,000</u>
	6,596,000	6,596,000
Included in current liabilities	<u>(3,750,000)</u>	<u>(3,750,000)</u>
	<u>2,846,000</u>	<u>2,846,000</u>
Loan maturity analysis		
In more than one year but not more than two years	<u>2,846,000</u>	<u>2,846,000</u>

12 Share capital	2012 £	2011 £
Allotted, called up and fully paid		
400 Ordinary of £1 each	<u>400</u>	<u>400</u>

HOP FARM REAL ESTATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

13 Statement of movements on reserves

	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2012	(127,396)	3,584,773	(1,102,560)
Loss for the year	-	-	(2,690,888)
Balance at 31 December 2012	<u>(127,396)</u>	<u>3,584,773</u>	<u>(3,793,448)</u>

Other reserves

Capital redemption reserve

Balance at 1 January 2012 & at 31 December 2012 3,584,773

Other reserves arose on the demerger on 28 February 2005 of the property and trading operations of The Hop Farm Limited. The property operations were transferred into this company. The difference between the fair value of the assets transferred and the new share capital issued, under merger accounting, is shown as a movement on other reserves.

14 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Loss for the financial year	(2,690,888)	(29,024)
Other recognised gains and losses	-	136,773
Net (depletion in)/addition to shareholders' funds	<u>(2,690,888)</u>	<u>107,749</u>
Opening shareholders' funds	2,355,217	2,247,468
Closing shareholders' funds	<u>(335,671)</u>	<u>2,355,217</u>

HOP FARM REAL ESTATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

2012 Number	2011 Number
3	4

Employment costs

2012 £	2011 £
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Wages and salaries

11,067	18,808
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16 Control

The ultimate controlling party is Mr D P Bull who owns 100% of the issued share capital

17 Post balance sheet events

On 5 March 2013, Hop Farm Trading Limited, a 100% subsidiary of Hop Farm Real Estate Limited, was placed into liquidation. At 31 December 2012 Hop Farm Real Estate Limited has recognised the sum of £2,577,077 owing from Hop Farm Trading Limited as a bad debt. This is a full provision against the debt and is included in exceptional items.

On 6 March 2013 some of the trade and assets of Hop Farm Trading Limited were transferred to Kent Entertainment Limited, a new 100% subsidiary of Hop Farm Real Estate Limited which was incorporated on 6 March 2013.

HOP FARM REAL ESTATE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

18 Related party relationships and transactions

During the year the company charged rent of £160,000 (2011 £174,000) to Hop Farm Trading Ltd, a subsidiary undertaking

On 5 March 2013, after the balance sheet date, Hop Farm Trading Limited was placed into liquidation and the sum of £2,577,077 owing from this subsidiary to Hop Farm Real Estate Limited was provided as a bad debt

At the balance sheet date £38,521 (2011 £38,521) was owed to Yesterday's World Ltd, a company controlled by the director Ms D M Bull

At the balance sheet date £2,846,000 (2011 £2,846,000) was owed to Mr D P Bull, the ultimate controlling party

In order to secure the bank overdraft Mr D P Bull has also provided a personal guarantee amounting to £3,750,000