

Company Registration No. 08514575 (England and Wales)

S M S FARMING LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 MAY 2017

PAGES FOR FILING WITH REGISTRAR

Century House
Wargrave Road
Henley-on-Thames
RG9 2LT

S M S FARMING LIMITED

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S M S FARMING LIMITED

COMPANY INFORMATION

Directors Mr. L. Morgan
Mr. G. Morgan
Ms. K. Morgan

Company number 08514575

Registered office Field Farm
Netherton Road
Appleton
Abingdon
Oxfordshire
United Kingdom
OX13 5QW

Accountants Taylorcocks Henley
Century House
Wargrave Road
Henley-on-Thames
RG9 2LT

S M S FARMING LIMITED

BALANCE SHEET

AS AT 30 MAY 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	3		8,735,177		9,646,199
Current assets					
Stocks		1,331,050		795,030	
Debtors	4	36,097		29,334	
Cash at bank and in hand		108,938		20,255	
		<u>1,476,085</u>		<u>844,619</u>	
Creditors: amounts falling due within one year	5	<u>(616,074)</u>		<u>(595,200)</u>	
Net current assets			860,011		249,419
Total assets less current liabilities			<u>9,595,188</u>		<u>9,895,618</u>
Creditors: amounts falling due after more than one year	6		<u>(3,834,592)</u>		<u>(3,818,478)</u>
Net assets			<u>5,760,596</u>		<u>6,077,140</u>
Capital and reserves					
Called up share capital	7		8		8
Revaluation reserve		5,400,000		5,975,000	
Profit and loss reserves		360,588		102,132	
Total equity			<u>5,760,596</u>		<u>6,077,140</u>

S M S FARMING LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 MAY 2017

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial period ended 30 May 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

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 members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 28 February 2018 and are signed on its behalf by:

Mr. G. Morgan
Director

Company Registration No. 08514575

The notes on pages 4 to 11 form part of these financial statements

S M S FARMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 MAY 2017

1 Accounting policies

Company information

S M S Farming Limited (08514575) is a private company limited by shares incorporated in England and Wales. The registered office is Field Farm, Netherton Road, Appleton, Abingdon, Oxfordshire, United Kingdom, OX13 5QW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. 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 freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the period ended 30 May 2017 are the first financial statements of S M S Farming Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 June 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 8.

1.2 Reporting period

The companies accounting period has been shortened by one day to the 30 May 2017.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	Not depreciated
Plant and machinery	10% Straight line
Motor vehicles	33% Reducing balance

S M S FARMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MAY 2017

1 Accounting policies (Continued)

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 credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company 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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

S M S FARMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MAY 2017

1 Accounting policies

(Continued)

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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.

1.9 Equity instruments

Equity instruments issued by the company 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 company.

1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

S M S FARMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MAY 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 4 (2016 - 4).

S M S FARMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MAY 2017

3 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 June 2016	9,350,000	373,596	-	9,723,596
Additions	-	18,850	13,990	32,840
Disposals	(900,000)	-	-	(900,000)
At 30 May 2017	8,450,000	392,446	13,990	8,856,436
Depreciation and impairment				
At 1 June 2016	-	77,397	-	77,397
Depreciation charged in the period	-	39,245	4,617	43,862
At 30 May 2017	-	116,642	4,617	121,259
Carrying amount				
At 30 May 2017	8,450,000	275,804	9,373	8,735,177
At 31 May 2016	9,350,000	296,199	-	9,646,199

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Plant and machinery	131,874	203,014
	131,874	203,014
Depreciation charge for the period in respect of leased assets	18,034	28,196

S M S FARMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MAY 2017

3 Tangible fixed assets **(Continued)**

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:

	2017	2016
	£	£
Cost	3,050,000	3,375,000
Accumulated depreciation	-	-
	3,050,000	3,375,000
Carrying value	3,050,000	3,375,000

4 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Other debtors	32,303	29,334
Prepayments and accrued income	3,794	-
	36,097	29,334
	36,097	29,334

5 Creditors: amounts falling due within one year

	2017	2016
	£	£
Notes		
Bank loans and overdrafts	-	311,148
Obligations under hire purchase agreements	43,030	71,314
Trade creditors	7,032	-
Corporation tax	103,038	13,082
Other creditors	460,574	190,056
Accruals and deferred income	2,400	9,600
	616,074	595,200
	616,074	595,200

The aggregate amount of creditors for which security has been given amounted to £43,030 (2016 - £71,314).

The hire purchase liabilities are secured on the assets to which they relate.

S M S FARMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MAY 2017

6 Creditors: amounts falling due after more than one year	Notes	2017 £	2016 £
Bank loans and overdrafts		3,772,307	3,329,815
Obligations under hire purchase agreements		62,285	88,663
Other borrowings		-	400,000
		<u>3,834,592</u>	<u>3,818,478</u>

The aggregate amount of creditors for which security has been given amounted to £3,834,592 (2016 -£3,418,478).

The hire purchase liabilities are secured on the assets to which they relate.

7 Called up share capital	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
8 Ordinary shares of £1 each	8	8
	<u>8</u>	<u>8</u>

8 Reconciliations on adoption of FRS 102		
Reconciliation of equity	1 June 2015 £	31 May 2016 £
Equity as reported under previous UK GAAP and under FRS 102	37,968	6,077,140
	<u>37,968</u>	<u>6,077,140</u>

Reconciliation of profit for the financial period	2016 £
Profit as reported under previous UK GAAP and under FRS 102	64,172
	<u>64,172</u>

Notes to reconciliations on adoption of FRS 102

S M S FARMING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 MAY 2017

8 Reconciliations on adoption of FRS 102

(Continued)

There were no changes to the accounting policies arising from the adoption of FRS 102, which affected the recognition or measurement of transactions.

No adjustments were made to previously reported equity balances at the date of transition to FRS 102. No adjustments were made to previously reported equity balances at the end of the comparative period.

There were no adjustments to previously reported profit or loss in the comparative period.

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