

CHALDEAN ESTATE LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 AUGUST 2021

CHALDEAN ESTATE LIMITED
REGISTERED NUMBER: 03449063

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	14,146,307	14,759,541
Investments	6	113,130	111,082
Investment property	7	3,670,000	-
		<u>17,929,437</u>	<u>14,870,623</u>
Current assets			
Stocks	8	701,533	646,828
Debtors: amounts falling due within one year	9	417,783	515,575
Cash at bank and in hand	10	82,295	563,281
		<u>1,201,611</u>	<u>1,725,684</u>
Creditors: amounts falling due within one year	11	(3,372,088)	(8,399,152)
Net current liabilities		<u>(2,170,477)</u>	<u>(6,673,468)</u>
Total assets less current liabilities		<u>15,758,960</u>	<u>8,197,155</u>
Creditors: amounts falling due after more than one year	12	(6,051,000)	(341,446)
Provisions for liabilities			
Deferred tax	14	(436,878)	(74,718)
Net assets		<u><u>9,271,082</u></u>	<u><u>7,780,991</u></u>
Capital and reserves			
Called up share capital		6,631,108	6,631,108
Profit and loss account		2,639,974	1,149,883
		<u><u>9,271,082</u></u>	<u><u>7,780,991</u></u>

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 profit and loss account 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 on 31 August 2022.

Mr D Morrison
Director

The notes on pages 2 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. GENERAL INFORMATION

The Company is a private company limited by shares and is incorporated in England and Wales. The address of its Registered Office is The Old Grain Store, Bromley Lane, Much Hadham, Hertfordshire, SG10 6HU.

The prior year financial statements were presented for the 8 month period ended 31 August 2020 and are therefore not entirely comparable to the current year figures.

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 functional and presentational currency of the company is Pound Sterling.

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.

2.3 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.4 FINANCE COSTS

Finance costs are charged to profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.5 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.6 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 balance sheet 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 balance sheet 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 balance sheet date.

2.8 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.8 TANGIBLE FIXED ASSETS (continued)

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:

Freehold property	- 1% - 2.5% straight line (Land is not depreciated)
Plant & machinery	- 5% - 20% straight line
Motor vehicles	- 20% - 25% straight line
Biological assets	- 5% 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 profit or loss.

The Company owns a biological asset in the form of grape vines which are cultivated on land owned by the Company. The costs of bringing the grape vines to maturity are capitalised.

2.9 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 profit or loss.

2.10 VALUATION OF INVESTMENTS

The Company's investment in joint ventures is stated at cost plus share of profit, less and diminution in value.

Credit is taken for the company's share of joint venture profit as it accrues based on the joint venture's accounts.

2.11 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 weighted average basis. Crops are valued based on tonnage at 75% of future selling price.

Growing seed crops are stated at the cost of seeds, fertilizers and sprays applied and the costs of preparing the land.

At each balance sheet 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.12 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.

2.13 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.

2.14 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.

2.15 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 profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet 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 Balance Sheet.

2.16 FINANCIAL INSTRUMENTS

The Company enters into basic financial instruments 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.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 8 (2020 - 9).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. TAXATION

	Year ended 31 August 2021 £	8 months ended 31 August 2020 £
CORPORATION TAX		
Current tax on profits for the year	-	-
Deferred tax		
Origination and reversal of timing differences	362,160	28,941
Taxation on profit on ordinary activities	<u>362,160</u>	<u>28,941</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR/PERIOD

The tax assessed for the year/period is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	Year ended 31 August 2021 £	8 months ended 31 August 2020 £
Profit on ordinary activities before tax	<u>1,852,251</u>	<u>96,179</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	351,928	18,274
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,999	1,318
Capital allowances for year/period in excess of depreciation	7,622	14,687
Re-measurement of deferred tax - change in the UK tax rate	-	5,387
Non-taxable income	(389)	22
Revision of brought forward tax losses	-	(10,747)
Total tax charge for the year/period	<u>362,160</u>	<u>28,941</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Company has tax losses of approximately £276,000 (2020 - £177,000) available to offset against future taxable profits.

CHALDEAN ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. TANGIBLE FIXED ASSETS

	Freehold property £	Assets under construction £	Other fixed assets £	Biological assets £	Total £
Cost or valuation					
At 1 September 2020	14,204,604	660,093	766,035	140,171	15,770,903
Additions	1,866	-	109,901	37,105	148,872
Disposals	-	-	(246,185)	-	(246,185)
Transfer to Investment Property	-	(660,093)	-	-	(660,093)
At 31 August 2021	14,206,470	-	629,751	177,276	15,013,497
Depreciation					
At 1 September 2020	473,593	-	537,769	-	1,011,362
Charge for the year on owned assets	35,187	-	53,442	-	88,629
Disposals	-	-	(232,801)	-	(232,801)
At 31 August 2021	508,780	-	358,410	-	867,190
Net book value					
At 31 August 2021	13,697,690	-	271,341	177,276	14,146,307
At 31 August 2020	13,731,011	660,093	228,266	140,171	14,759,541

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Freehold	13,697,690	13,731,011
Assets under construction	-	660,093
	13,697,690	14,391,104

The cost of depreciable assets included within Land and Buildings as at 31 August 2021 amounted to £1,547,580 (2020 - £1,546,239).

CHALDEAN ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

6. FIXED ASSET INVESTMENTS

	Investment in joint ventures £
Cost or valuation	
At 1 September 2020	111,082
Share of profit/(loss)	2,048
At 31 August 2021	<u>113,130</u>

	Net assets /(liabilities) at 31 August 2021 £	Net profit/(loss) for the year ended 5 April 2021 £	Net assets /(liabilities) at 31 August 2020 £	Net profit/ (loss) for the year ended 5 April 2020 £
Gilston Crop Management LLP (33% holding)	<u>358,707</u>	<u>6,144</u>	<u>391,013</u>	<u>(11,714)</u>

7. INVESTMENT PROPERTY

	Freehold investment property £
Valuation	
Additions at cost	1,072,875
Surplus on revaluation	1,937,032
Transfer from Tangible Fixed Assets	660,093
At 31 August 2021	<u>3,670,000</u>

The 2021 valuations were made by the Directors, 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:

	2021 £	2020 £
Historic cost	<u>1,732,968</u>	<u>-</u>

CHALDEAN ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. STOCKS

	2021 £	2020 £
Crops in store	564,751	364,120
Growing crops	111,193	197,400
Stores	25,589	85,308
	<u>701,533</u>	<u>646,828</u>

9. DEBTORS

	2021 £	2020 £
Trade debtors	76,145	57,947
Other debtors	174,542	252,106
Prepayments and accrued income	167,096	205,522
	<u>417,783</u>	<u>515,575</u>

10. CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank and in hand	<u>82,295</u>	<u>563,281</u>

11. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Bank loans	-	5,263,765
Trade creditors	95,735	52,723
Other taxation and social security	19,374	17,366
Other creditors	3,232,095	2,993,409
Accruals and deferred income	24,884	71,889
	<u>3,372,088</u>	<u>8,399,152</u>

CHALDEAN ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. CREDITORS: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	<u>6,051,000</u>	<u>341,446</u>

Secured loans

The bank loans are secured on land held in the company's name.

13. LOANS

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	-	5,263,765
Amounts falling due 2-5 years		
Bank loans	6,051,000	98,361
Amounts falling due after more than 5 years		
Bank loans	-	243,085
	<u>6,051,000</u>	<u>5,605,211</u>

CHALDEAN ESTATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. DEFERRED TAXATION

	2021 £	2020 £
At beginning of year	74,718	45,777
Charged to profit or loss	362,160	28,941
At end of year	<u><u>436,878</u></u>	<u><u>74,718</u></u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	121,285	108,207
Tax losses carried forward	(52,390)	(33,476)
Unpaid pension contributions	(53)	(13)
Property revaluation	368,036	-
	<u><u>436,878</u></u>	<u><u>74,718</u></u>

15. 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 cost charge represents contributions payable by the company to the fund and amounted to £3,954 (31 August 2020 - £1,735). The amount owed to the pension scheme at the year end was £276 (2020 - £67).

The company also made pension contributions in the year of £3,201 (31 August 2020 - £2,134) into employee's personal pension plans.

16. OTHER FINANCIAL COMMITMENTS

The company has entered into a service agreement for Vineyard services. The company has a commitment of £30,100 (2020 - £38,500).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

17. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 31 August 2021 was qualified.

The qualification in the audit report was as follows:

We were not able to observe the stocktake at the end of the year or of the previous year and were unable to satisfy ourselves by alternative means concerning the stock quantities held at 31 August 2021 or 31 August 2020, which are included in the balance sheet at £701,533 (2020 - £646,828), by using other audit procedures. Consequently we were unable to determine whether any adjustments to these amounts were necessary or whether there was any consequential effect on the cost of sales for the year ended 31 August 2021.

In addition the auditors reported by exception that:

Arising solely from the limitation on the scope of our work relating to stock, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

The audit report was signed on 31 August 2022 by Darren Amott (Senior Statutory Auditor) on behalf of Price Bailey LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.