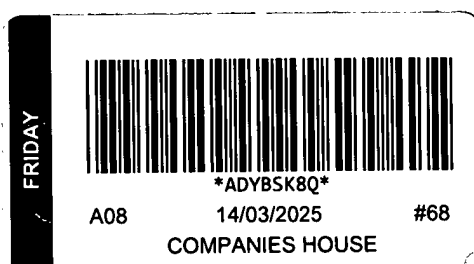


AB Farms Limited

Annual report and financial statements

For the year ended 31 August 2024

Registered number: 09752902 (England and Wales)



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AB Farms Limited (Registration No: 09752902)
Annual report and financial statements (unaudited)
For the year ended 31 August 2024

Company information

DIRECTORS:	PJ Bridgen PJ Ellis NA Sharratt DW Tomkinson (non – executive)
COMPANY SECRETARY:	SGH Company Secretaries Limited
REGISTERED OFFICE:	6 th Floor 60 Gracechurch Street London EC3V 0HR
REGISTERED NUMBER:	09752902 (England and Wales)
SOLICITORS:	Shakespeare Martineau LLP No1 Colmore Square Birmingham B4 6AA

Directors' report

The directors present their Annual Report on the affairs of the Company, together with the financial statements for the year ended 31 August 2024. The Company has taken advantage of the exemption from audit available under Section 477 of the Companies Act 2006. AB Farms Limited is a private limited company registered in England.

Principal activity

The principal activities of the Company during the year were the letting of agricultural land and buildings and other residential properties.

Results

The Company's profit after tax for the year was £15,185 (2023: £62,352 loss).

The directors are satisfied that the positive results reflect the implementation of a revised strategy regarding the utilisation of company assets.

Directors

Directors holding office during the period were as follows:

PJ Bridgen (Managing Director)
PJ Ellis
NA Sharratt
DW Tomkinson (non-executive)

Qualifying third party indemnity provision is in place for the benefit of all directors of the Company.

Miscellaneous disclosures

It should be noted that the Company has no direct employees but management services and other labour costs incurred by A.B. Produce PLC relative to the Company are the subject of appropriate recoveries.

The directors continue to utilise the services of an independent professional company secretary to oversee and advise on matters of corporate governance, related party transactions and statutory compliance.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Signed on behalf of the Board:

DocuSigned by:

.....C3C9ADD2B9444F0.....
N A Sharratt - Director

Date: 12th March 2025

AB Farms Limited (Registration No: 09752902)
Annual report and financial statements (unaudited)
For the year ended 31 August 2024

Income statement

For the year ended 31 August 2024

	Note	2024 £	2023 £
Turnover	2	148,166	112,149
Cost of sales		<u>(79,790)</u>	<u>(61,603)</u>
Gross profit / (loss)		68,376	50,545
Administrative income / (expenses)		(22,793)	(89,284)
Other operating income		<u>23,283</u>	<u>31,620</u>
Operating profit / (loss)		68,866	(7,119)
Interest receivable and similar income		-	-
Interest payable and similar charges	4	<u>(53,681)</u>	<u>(62,733)</u>
Profit / (loss) before taxation	3	15,185	(69,852)
Taxation	5	<u>-</u>	<u>7,500</u>
Profit / (loss) for the financial year		15,185	(62,352)
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>15,185</u></u>	<u><u>(62,352)</u></u>

All the Company's results are derived from continuing activities.

Statement of financial position

As at 31 August 2024

	Notes	2024 £	2023 £
Fixed assets			
Tangible assets	6	1,757,274	1,762,474
Investment property		-	-
		<u>1,757,274</u>	<u>1,767,674</u>
Current assets			
Stocks		-	-
Debtors	7	467,858	448,548
Cash at bank and in hand		<u>64,436</u>	<u>10,566</u>
		532,294	459,114
Creditors:			
Amounts falling due within one year	8	<u>(4,432,556)</u>	<u>(4,379,761)</u>
Net current assets		<u>(3,900,262)</u>	<u>(3,920,647)</u>
Total assets less current liabilities		<u>(2,142,988)</u>	<u>(2,158,173)</u>
Creditors:			
Amounts falling due after more than one year	9	(648,445)	(648,445)
Provisions for liabilities			
Deferred tax liability		-	-
Net assets		<u>(2,791,433)</u>	<u>(2,806,618)</u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		<u>(2,791,533)</u>	<u>(2,806,718)</u>
Shareholders' funds		<u>(2,791,433)</u>	<u>(2,806,618)</u>

For the year ending 31 August 2024, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006. The members have not required the Company to obtain an audit of the financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements. These financial statements have been prepared in accordance with the small company regime in FRS 102 (Section 1A).

These financial statements were approved by the Board of directors and authorised for issue on 12th March 2025 and were signed on its behalf by:

DocuSigned by:

 N A Sharratt - Director

Notes to the financial statements

Forming part of the financial statements

1. Accounting policies

AB Farms Limited (the "Company") is a Company limited by shares and incorporated and domiciled in England. The registered office of the Company is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR.

These financial statements were prepared in accordance with the small company regime in FRS 102 (Section 1A). The accounts have been prepared on a going concern basis and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. 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 of the Company's position.

The presentation currency of these financial statements is sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The directors have prepared the financial statements taking into account all transactions and balances which they are aware of and which are recorded in the Company's books and records at the date of signing the financial statements.

1.1 Measurements convention

The financial statements are prepared on the historical cost basis except for investment property which is measured at fair value.

1.2 Going concern

The directors have prepared the financial statements on a going concern basis as the arable farming activities have been suspended and future rental income from freehold land, commercial buildings and residential properties is sufficient to cover ongoing operational and financing costs. The Company has net current assets of £232,314 (2023: £177,613) excluding assets and liabilities connected to related parties who have the same directors and shareholders. It is expected to generate positive cash flows from its ongoing core activities.

The related party loan from A.B. Produce PLC was partially redeemed together with accrued interest on 31 May 2023. The balance remains outstanding with a commitment from the lender that this will not be required to be repaid until the Company has the necessary funds or alternative financing is available.

The directors believe the site at Barn Farm, Hilton has significant development potential and continue to explore options to drive trading benefit and enhanced value re the freehold land and buildings.

Based on the trading profile of the business, the ongoing related party support and the specific financing arrangements in place, the directors have no reason to believe that any material uncertainties exist that may cast significant doubt about the ability of the Company to continue as a going concern. Thus, the going concern basis of accounting has been adopted in preparing the annual financial statements.

1.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

Notes (continued)

1 Accounting policies (continued)

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases.

The Company assesses at each reporting date whether tangible fixed assets are impaired

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

Plant and machinery – 3 to 5 years

Vehicles – 3-5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Assets under the course of construction are not depreciated.

1.5 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost. Subsequent to initial recognition, investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise, and no depreciation is provided in respect of investment properties applying the fair value model.

This treatment, as regards the Company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of tangible fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

1.6 Stocks

Stock represents raw material stocks held and/or the costs associated with the planted potato crop not yet harvested. Stock is valued at the lower of original purchase cost or costs associated with its planting and cultivation and net realisable value.

1.7 Turnover

Turnover represents land and commercial property rental income, net of value added tax. All revenue and rental income is accounted for on an accruals basis.

Other operating income

Residential letting income is included within Other operating income receivable on an accruals basis, excluding value added tax.

Notes (continued)

1 Accounting policies (continued)

1.8 Expenses

Interest receivable and interest payable are recognised in the profit and loss account as they accrue, using the effective interest method.

1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Analysis of turnover

Turnover is wholly attributable to the principal activities of the Company, arising solely within the United Kingdom.

3 Profit before taxation

	2024 £	2023 £
<i>Profit before taxation is stated after charging/(crediting):</i>		
Depreciation	5,200	5,200
Profit on disposal of fixed assets	-	(7,500)
	<u> </u>	<u> </u>

4 Interest payable and similar charges

	2024 £	2023 £
Bank loans and overdrafts	20	-
Loan from related party	50,375	58,473
Other loans	3,286	4,260
	<u>53,681</u>	<u>62,733</u>

Notes (continued)

5 Taxation

Total tax expense / (credit) recognised in profit and loss account

	£	2024 £	£	2023 £
<i>Current tax</i>				
Current tax on income for the year	-		(7,500)	
Adjustments in respect of prior years	-		-	
Total current tax		-		(7,500)
<i>Deferred tax</i>				
Origination and reversal of timing differences	-		-	
Change in tax rate	-		-	
Adjustments in respect of prior periods	-		-	
Total deferred tax		-		-
Total tax		-		(7,500)

6 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Total £
<i>Cost</i>			
At 1 September 2023	1,751,641	145,924	1,897,565
Additions	-	-	-
Disposals	-	-	-
At 31 August 2024	1,751,641	145,924	1,897,565
<i>Depreciation</i>			
At 1 September 2023	-	135,091	135,091
Disposals	-	-	-
Charge for year	-	5,200	5,200
At 31 August 2024	-	140,291	140,291
<i>Net book value</i>			
At 31 August 2024	1,751,641	5,633	1,757,274
At 31 August 2023	1,751,641	10,833	1,762,474

Notes (continued)

7 Debtors

	2024 £	2023 £
Trade debtors	250,433	114,260
Corporation tax recoverable	192,500	192,500
Other taxation & social security	1,035	104
Prepayments and accrued income	23,890	141,684
	<u>467,858</u>	<u>448,548</u>

8 Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	188,888	204,313
Related party recharges	3,315,094	3,315,094
Accruals and deferred income	928,574	860,354
	<u>4,432,556</u>	<u>4,379,761</u>

9 Creditors: Amounts falling due in more than one year

	2024 £	2023 £
Amounts owed to related undertaking	648,445	648,445
Other loans	-	-
	<u>648,445</u>	<u>648,445</u>

The related party loan from A.B. Produce PLC was partially redeemed together with accrued interest on 31 May 2023. The balance remains outstanding with a commitment from the lender that repayment will not be required until the Company has the necessary funds or alternative financing is available.

10 Called up share capital

	2024 £	2023 £
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each at 31 August 2023 and 31 August 2024	<u>100</u>	<u>100</u>

Notes (continued)

11 Related party disclosures

Identity of related parties and nature of transactions:

Related parties	Relationship	Nature of transactions
AB Produce PLC	Company under common ownership/control	Funding provider, cost recharges and storage arrangements
Bridgen Investments Ltd	Company under common ownership/control	Fuel recharges
PJ Bridgen	Shareholder and Director	Shareholdings and partner in PJ&CL Bridgen
PJ Ellis	Shareholder and Director	Shareholdings
DW Tomkinson	Shareholder and Director	Shareholdings
PJ & CL Bridgen	Partnership co-owned by PJ Bridgen	Letting of agricultural land and contracting services

Summary of related party transactions:

	Turnover and other operating income		Cost of sales, expenses and interest charges	
	2024	2023	2024	2023
	£	£	£	£
AB Produce PLC				
Storage charges	137,561	106,479	-	-
Management charges	-	-	-	(72,866)
Loan interest payable	-	-	(50,375)	(58,473)
Cost recharges	-	-	-	(6,690)
Bridgen Investments Ltd – Fuel recharges	-	-	-	(2,256)
PJ & CL Bridgen				
Land rent	10,605	5,670	-	-
Contracting services	-	-	-	(179)
	148,166	112,149	(50,375)	(140,464)
	Receivables outstanding		Payables outstanding	
	2024	2023	2024	2023
	£	£	£	£
AB Produce PLC				
Trading accounts	142,453	44,260	-	-
Recharges account	-	-	(3,315,094)	(3,315,094)
Accrued income / (charges)	19,345	106,479	(910,728)	(860,353)
Loan outstanding	-	-	(648,445)	(648,445)
Bridgen Investments Ltd – trading accounts	-	-	(73,552)	(73,552)
PJ&CL Bridgen				
Trading accounts	37,980	-	(31,892)	(31,892)
Accrued income / (charges)	4,545	31,920	-	-
	204,323	182,659	(4,979,711)	(4,929,336)

Notes (continued)

11 Related party disclosures (continued)

The related party loan from A.B. Produce PLC was partially redeemed together with accrued interest on 31 May 2023. The balance remains outstanding with a commitment from the lender that repayment will not be required until the Company has the necessary funds or alternative financing is available. Interest accrued at 31 August 2024 was £62,605 (2023: £12,230).

It should be noted that the Company has no direct employees but management services and other labour costs incurred by A.B. Produce PLC relative to the Company are the subject of appropriate recoveries.

The Company previously purchased parts through A.B. Produce PLC and fuel via Bridgen Investments Ltd which transactions were recharged to the Company at cost. The Company now sources goods and services directly from suppliers. Any outstanding amounts are included within the trading account balances under "Payables outstanding".

The Company has entered into formal arrangements with A.B. Produce PLC regarding the storage of potatoes and packaging at its Barn Farm, Hilton site. Charges are raised at market rate for the storage costs including any electricity costs associated with the refrigeration of the buildings.

The Company has entered into formal arrangements with PJ&CL Bridgen regarding the rental of the land at Barn Farm, Hilton. Charges are raised at the appropriate market rate.

12 Ultimate controlling party

The Company is under the control of the Bridgen family

13 Accounting estimates and judgements

Preparation of the financial statements requires management to make significant judgements and estimates about the carrying value of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors including expectations of future events which are believed to be reasonable under the circumstances.