

Company Registration No. 2542185

BRAMALL PROPERTIES LIMITED

Report and Financial Statements

31 December 2018

BRAMALL PROPERTIES LIMITED

REPORT AND FINANCIAL STATEMENTS 2018

CONTENTS

Page

Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	4
Independent auditor's report	5
Profit and loss account	10
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Cash flow statement	13
Notes to the financial statements	14

BRAMALL PROPERTIES LIMITED

REPORT AND FINANCIAL STATEMENTS 2018

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D C A Bramall
K S Bramall Ogden
A Bramall
M J Foody
P Jones
A Lockwood

SECRETARY

A Lockwood

REGISTERED OFFICE

12 Cardale Court
Cardale Park
Beckwith Head Road
Harrogate
North Yorkshire
HG3 1RY

BANKERS

Barclays Bank plc
P O Box No 43
Commercial Street
Sheffield
S1 1NG

INDEPENDENT AUDITOR

Deloitte LLP
Statutory Auditor
1 City Square
Leeds
West Yorkshire
LS1 2AL

BRAMALL PROPERTIES LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2018.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption and therefore no strategic report has been prepared.

PRINCIPAL ACTIVITIES

The principal activities of the company remain that of a property investment company and arable farmer.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors consider the company's affairs to be satisfactory and do not anticipate any major changes in the company's activities. The company has not been directly affected by Brexit, other than the general uncertainty which currently prevails. This has slowed the activities in the property market during the last few months, however, we have completed some lettings and sales in the past year. The loan with Barclays was successfully renegotiated in April 2019.

RESULTS

The results for the year are set out in the profit and loss account on page 10. A profit of £2,902,617 (2017: £2,641,265) was made in the year. There was no dividend paid in current or prior year.

DIRECTORS

The directors who served during the year and subsequently except as noted below were as follows:

D C A Bramall
K S Bramall Ogden
A Bramall
M J Foody
P Jones
A Lockwood (appointed 1 June 2018)

PRINCIPAL RISKS

The main risks to the company are assessed as property valuation, financing and liquidity risk. As the company holds significant cash reserves, cash flow risk is considered to be low. In addition, the loan with Barclays was successfully renegotiated in April 2019.

As regards day to day liquidity, whilst the company has net current liabilities of £40,461,320 (2017: £25,945,190), this arises from a related loan with Guernsey Investments Limited of £7,764,210 (2017: £7,764,210) a bank loan of £14,200,000 (2017: £14,900,000) and loan notes of £19,500,000 (2017: £18,500,000). The directors have obtained a letter of support to confirm the related loan will not be recalled for at least 12 months from the date of signing the financial statements. The loan notes were renewed in 2019 and are now repayable in 3 years, on 31 October 2021. Management have reviewed future expected cash flows and considers that it has sufficient cash reserves to enable it to continue to meet its liabilities as they fall due.

There are no significant concentrations of credit risk within the company. Debts are due from customers on a monthly basis and therefore management monitors payments from customers on a regular basis to identify any issues with potential non-payment.

GOING CONCERN

The company's net current liability position is discussed above within principal risks, however the loan notes were renewed in 2019 therefore are now repayable in 3 years.

The company's forecasts and projections, taking account of reasonable possible changes in trading performance and current economic uncertainty, show that the company should be able to operate within the level of its current facilities. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements. Further details are disclosed in note 1 to the financial statements.

BRAMALL PROPERTIES LIMITED

DIRECTORS' REPORT

DISCLOSURE OF INFORMATION TO THE AUDITOR

Each of the persons who are a director at the date of approval of the financial statements confirms that:

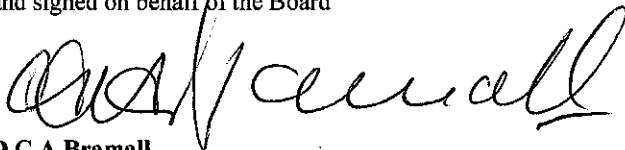
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The director has taken all the steps that he/she ought to have taken as a director in order to make him/her aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

REAPPOINTMENT OF AUDITOR

Deloitte LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



D C A Bramall

Director

May 2019

BRAMALL PROPERTIES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAMALL PROPERTIES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Bramall Properties Limited, ('the company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matter	The key audit matter that we identified in the current year was the valuation of investment properties.
Materiality	The materiality that we used in the current year was £1.7m which was determined on the basis of 3% of the net assets.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team in conjunction with Real Estate specialists.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAMALL PROPERTIES LIMITED (CONTINUED)

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:




We have nothing to report in respect of these matters.

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties	
<p>Key audit matter description</p> 	<p>The company holds a portfolio of investment properties and there is a significant level of judgement involved in determining its fair value.</p> <p>The valuation of the £73.9m (2017 : £70.3m) portfolio (disclosed in note 9 and accounting policy disclosed in note 1) is based on the directors' knowledge of the property valuation process and data from published information sources. Given the significance of this balance in the context of the financial statements as a whole, and the potential for management bias in the estimation process, we consider there to be a fraud risk in relation to the valuation.</p>
<p>How the scope of our audit responded to the key audit matter</p> 	<p>Our work involved the following:</p> <ul style="list-style-type: none"> > We have evaluated the design and implementation of the company's controls relating to the valuation of investment properties. > Working with our real estate specialists, we challenged the directors' valuations by assessing the rental yields on the properties through comparison with published market data, and comparing the valuations with similar properties sold. The impact of Brexit has been considered when considering the impact on the property valuation.
<p>Key observations</p> 	<p>Based on the work performed we concluded that the valuation of investment properties is appropriate.</p>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAMALL PROPERTIES LIMITED (CONTINUED)

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£1.7m (2017: £1.6m)
Basis for determining materiality	3% (2017: 3%) of net assets
Rationale for the benchmark applied	The company's principal activity is that of a property investment company. The net asset position represents the most relevant benchmark for assessing the company's position and performance.

We agreed with the Board of Directors that we would report to them all audit differences in excess of £84,000, (2017: £80,000) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team with assistance from our real estate specialists team.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

We have nothing to report in respect of these matters.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Report on other legal and regulatory requirements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAMALL PROPERTIES LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAMALL PROPERTIES LIMITED (CONTINUED)

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

We have nothing to report in respect of these matters.

- we have not received all the information and explanations we require for our audit; or
- 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.
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

Use of our report

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 auditor's 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.

Scott Bayne FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds, United Kingdom

May 2019

BRAMALL PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2018

	Note	2018 £	2017 £
TURNOVER	3	8,317,478	13,233,584
Cost of sales		(1,451,448)	(7,909,806)
GROSS PROFIT		<u>6,866,030</u>	<u>5,323,778</u>
Administrative expenses		(561,704)	(666,103)
Fair value movement on investment property		(750,000)	-
OPERATING PROFIT	5	<u>5,554,326</u>	<u>4,657,675</u>
Interest receivable and similar income	6	871	-
Interest payable and similar charges	7	(1,615,691)	(1,492,430)
PROFIT BEFORE TAXATION		<u>3,939,506</u>	<u>3,165,245</u>
Tax on profit	8	(1,036,889)	(523,980)
PROFIT FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES		<u><u>2,902,617</u></u>	<u><u>2,641,265</u></u>

All activities derive from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME

	2018 £	2017 £
Profit attributable to the members of the company	2,902,617	2,641,265
Revaluation of land and buildings	-	1,105,000
Deferred tax on revaluation of land and buildings	5,222	(74,835)
Total comprehensive income related to the year	<u><u>2,907,839</u></u>	<u><u>3,671,430</u></u>

BRAMALL PROPERTIES LIMITED

BALANCE SHEET 31 December 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Investment property	9	73,897,904	70,297,756
Tangible assets	9	23,962,413	24,014,612
		<u>97,860,317</u>	<u>94,312,368</u>
CURRENT ASSETS			
Stocks	10	321,750	445,978
Debtors due within one year	11	593,582	508,532
Cash at bank and in hand		2,667,844	2,502,863
		<u>3,583,176</u>	<u>3,457,373</u>
CREDITORS: amounts falling due within one year	12	<u>(44,044,496)</u>	<u>(29,402,565)</u>
NET CURRENT LIABILITIES		<u>(40,461,320)</u>	<u>(25,945,192)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>57,398,997</u>	<u>68,367,176</u>
CREDITORS: amounts falling due after more than one year	13	-	(14,200,000)
PROVISION FOR LIABILITIES	15	<u>(2,342,465)</u>	<u>(2,018,483)</u>
NET ASSETS		<u>55,056,532</u>	<u>52,148,693</u>
CAPITAL AND RESERVES			
Called-up share capital	16	20,000	20,000
Revaluation reserve		7,265,790	7,260,568
Profit and loss account		47,770,742	44,868,125
SHAREHOLDERS' FUNDS		<u>55,056,532</u>	<u>52,148,693</u>

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

The financial statements of Bramall Properties Limited registered number 2542185 were approved by the Board of Directors and authorised for issue on May 2019.

Signed on behalf of the Board of Directors



D C A Bramall

Director

BRAMALL PROPERTIES LIMITED**STATEMENT OF CHANGES IN EQUITY
31 December 2018**

	Called-up share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2017	20,000	5,400,403	43,056,860	48,477,263
Profit for the financial year	-	-	2,641,265	2,641,265
Revaluation of land and buildings	-	1,105,000	-	1,105,000
Deferred tax on revaluation of land and buildings	-	(74,835)	-	(74,835)
2016 fair value correction	-	830,000	(830,000)	-
Total comprehensive income	.	1,860,165	1,811,265	3,671,430
At 31 December 2017	20,000	7,260,568	44,868,125	52,148,693
Profit for the financial year	-	-	2,902,617	2,902,617
Deferred tax on revaluation of land and buildings	-	5,222	-	5,222
Total comprehensive income	.	5,222	2,902,617	2,907,839
At 31 December 2018	20,000	7,265,790	47,770,742	55,056,532

BRAMALL PROPERTIES LIMITED

CASH FLOW STATEMENT Year ended 31 December 2018

	2018 £	2017 £
Cash flows from operating activities		
Operating profit	5,554,325	4,657,675
Adjustment for:		
Impairment loss on stocks	-	753,777
Fair value movement	750,000	-
Profit on disposal	(309,025)	(536,218)
Depreciation	2,397	2,593
	<hr/>	<hr/>
Operating cash flow before movement in working capital	5,997,698	4,877,827
Decrease / (Increase) in stocks	124,229	(644,725)
Decrease / (increase) in debtors	(85,049)	564,319
(Decrease) in creditors	(44,522)	(41,017)
Taxation paid	(521,232)	(295,482)
	<hr/>	<hr/>
Net cash flows from operating activities	5,471,123	4,460,922
Cash flows from investing activities		
Proceeds on disposal of investment properties and land and buildings	1,016,044	7,105,000
Purchase of equipment	(6,719)	-
Purchase of investment properties	(5,000,647)	(6,620,921)
Interest received	871	-
	<hr/>	<hr/>
Net cash flows from investing activities	(3,990,451)	484,079
Cash flows from financing activities		
(Repayment) / advance of bank borrowings	(700,000)	(2,025,000)
(Repayment) / advance of other loans	-	(10,454)
(Repayment) / advance of Eurobonds	1,000,000	-
Interest paid and similar charges	(1,615,691)	(1,492,430)
	<hr/>	<hr/>
Net cash flows from financing activities	(1,315,691)	(3,527,884)
Net increase in cash	164,981	1,417,117
Cash at beginning of year	2,502,863	1,085,746
Cash at end of year	2,667,844	2,502,863
Reconciliation to cash at bank and in hand:		
Cash at bank and in hand	2,667,844	2,502,863
Cash	2,667,844	2,502,863

BRAMALL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and preceding year.

Basis of accounting

Bramall Properties Limited is a private company limited by shares and incorporated in the United Kingdom, England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Bramall Properties Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Going concern

The company meets its working capital requirements from finance raised through bank and other loans.

The company has a number of customers on long term property rental contracts across different areas and industries.

As regards day to day liquidity, whilst the company has net current liabilities of £40,461,320 (2017: £25,945,190), this arises from a related loan with Guernsey Investments Limited of £7,764,210 (2017: £7,764,210) and a £14,200,000 (2017: £14,900,000) loan and loan notes of £19,500,000 (2017: £18,500,000). The directors have obtained a letter of support to confirm the related loan will not be recalled for at least 12 months from the date of signing the financial statements. The loan notes were renewed in 2019 and are now repayable in 3 years. Management have reviewed future expected cash flows, and considers that it has sufficient cash reserves to enable it to continue to meet its liabilities as they fall due.

The company's forecasts and projections, taking account of reasonable possible changes in trading performance and current economic uncertainty, show that the company should be able to operate within the level of its current facilities. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Turnover

Sales of property are recognised on legal completion. Crop sales and other income are recognised when the risk and reward of ownership has passed to the customer. Other income consists of other farming related income.

Rents are collected quarterly by the company. Rental income is recognised in accordance with the rental agreements, and apportioned over the period of the contract for which the property is let.

Depreciation

Fixed assets other than investment property are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciated is charged on a reducing balance basis at the following rates:

Motor vehicles	25% per annum
Plant and machinery	15% per annum

Land and assets under construction are not depreciated.

Land and buildings are revalued every year with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost related to the same property, or the reversal of such a deficit is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous consumption.

Investment properties

Investment properties are measured at fair value annually with any change recognised in the profit and loss account.

BRAMALL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2018

1. ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Stocks - Crops

Stocks are valued at the lower of cost or net realisable value.

In the case of growing crops, cost includes the cost of seed, sprays, fertilizers and work done in preparation for the next harvest.

Stocks – Work in progress - land and buildings

Land and buildings held and/or developed for resale are held in stock at the lower of cost and net realisable value.

BRAMALL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2018

1. ACCOUNTING POLICIES (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessment in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are scribed in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

There are no critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies.

Key sources of estimation uncertainty

The valuation of investment properties is a key source of estimation uncertainty, the value of investment properties is sensitive to changes in market rates and activity, as well as changes in the overall economic activity in the geographic area in which the property resides.

Other than the estimation uncertainty involved with assessing the valuation of investment property, the other key source of uncertainty is considered to be the rate at which deferred tax is expected to unwind within the financial statements.

The valuation is determined by the directors based on available market data, the current lease in place, and their knowledge and experience of the property and surrounding area.

BRAMALL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

3. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities. The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to the company's principal activities. An analysis of the Company's revenue is as follows:

	2018	2017
	£	£
Rental income	5,562,691	5,049,821
Property sales	1,016,044	7,000,000
Crop sales	1,456,906	891,455
Other income	281,837	292,308
	<u>8,317,478</u>	<u>13,233,584</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2018	2017
	£	£
Directors' remuneration		
Emoluments	160,599	136,782

	2018	2017
	No	No
Average monthly number of persons employed (including directors)		
Management	5	5
Administration	4	3
	<u>9</u>	<u>8</u>

	2018	2017
	£	£
Staff costs during the year (including directors)		
Wages and salaries	271,258	239,274
Social security costs	23,706	23,845
	<u>294,964</u>	<u>263,119</u>

Key management personnel

The parent company consider the directors of the company to be the key management personnel who have authority and responsibility for planning, directing and controlling the activities of the company.

5. OPERATING PROFIT

	2018	2017
	£	£
Operating profit is stated after charging:		
Depreciation of owned assets	2,397	2,593
Property stock recognised as an expense	-	6,463,782
Crop stock recognised as an expense	446,325	359,243
Fair value movement on investment property	750,000	-
Profit on disposal	(309,025)	(536,218)
Impairment of stock recognised as an expense	-	753,777
Fees payable to the Company's auditor for the audit of the Company's financial statements	7,070	7,833
Fees payable to the Company's auditor for tax compliance	1,645	2,250
	<u>1,645</u>	<u>2,250</u>

BRAMALL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 £	2017 £
Bank interest receivable	47	-
Interest received on corporation tax	824	-
	<u>871</u>	<u>-</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £	2017 £
Bank interest payable	391,131	373,341
Other loan interest payable	310,358	303,445
Interest on loan notes	914,202	815,644
	<u>1,615,691</u>	<u>1,492,430</u>

8. TAX ON PROFIT

	2018 £	2017 £
Corporation tax		
United Kingdom corporation tax for the year	789,012	483,072
Adjustments in respect of prior years	(81,327)	(827)
	<u>707,685</u>	<u>482,245</u>
Deferred taxation		
Origination and reversal of timing differences	285,849	47,250
Adjustments in respect of prior years	73,445	-
Effect of change in tax rates	(30,090)	(5,515)
	<u>329,204</u>	<u>41,735</u>
Deferred tax charge for the year	329,204	41,735
Tax charge for the year	<u>1,036,889</u>	<u>523,980</u>

The actual tax charge for the current year and preceding year differs from the standard rate for the reasons set out in the following reconciliation:

	2018 £	2017 £
Profit before tax	3,939,506	3,165,245
Tax on profit at average standard rate of 19% (2017: 19.25%)	748,506	609,201
Factors affecting the charge for the year:		
Expenses not deductible for tax purposes	6,396	-
Income not taxable	(2,850)	(88,484)
Gains/rollover relief	(74,679)	-
Effect of IA	-	9,605
Adjustment in respect of prior years	(7,882)	(827)
Revaluations	397,488	-
Tax rate changes	(30,090)	(5,515)
Tax charge for the period	<u>1,036,889</u>	<u>523,980</u>

BRAMALL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

8. TAX ON PROFIT (CONTINUED)

Finance Act No.2 2015 was substantively enacted on 26 October 2015 with provisions to reduce the corporation tax to 19% with effect from 1 April 2017. Following that, Finance Bill 2016 was substantively enacted on 6 September 2016, further reducing the corporation tax rate to 17% with effect from 1 April 2020. Accordingly these rates have been applied when calculating deferred tax assets and liabilities as at 31 December 2018.

There is no expiry date on timing differences, unused tax losses or tax credits

9. TANGIBLE FIXED ASSETS

	Land and buildings £	Leasehold investment properties £	Freehold investment properties £	Plant and machinery £	Motor vehicles £	Total £
Cost / valuation						
At 1 January 2018	24,000,000	1,659,027	68,638,729	33,000	21,589	94,352,346
Additions	-	-	5,000,648	6,719	-	5,007,365
Disposals	(56,519)	(650,500)	-	-	-	(707,019)
Movement in valuation	-	-	(750,000)	-	-	(750,000)
At 31 December 2018	<u>23,943,481</u>	<u>1,008,527</u>	<u>72,889,377</u>	<u>39,719</u>	<u>21,589</u>	<u>97,902,692</u>
Accumulated depreciation						
At 1 January 2018	-	-	-	18,647	21,331	39,978
Charge for the year	-	-	-	2,333	65	2,397
At 31 December 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,980</u>	<u>21,396</u>	<u>42,375</u>
Net book value						
At 31 December 2018	<u>23,943,481</u>	<u>1,008,527</u>	<u>72,889,377</u>	<u>18,739</u>	<u>193</u>	<u>97,860,317</u>
At 31 December 2017	<u>24,000,000</u>	<u>1,659,027</u>	<u>68,638,729</u>	<u>14,353</u>	<u>258</u>	<u>94,312,368</u>
Historical cost						
	Land and buildings £	Leasehold investment properties £	Freehold investment properties £	Plant and machinery £	Motor vehicles £	Total £
Cost	14,805,841	1,008,527	64,157,834	39,718	21,589	80,033,509
Accumulated depreciation	-	-	-	(20,980)	(21,396)	(42,376)
Net book value						
At 31 December 2018	<u>14,805,841</u>	<u>1,008,527</u>	<u>64,157,834</u>	<u>18,738</u>	<u>193</u>	<u>79,991,133</u>
At 31 December 2017	<u>14,862,360</u>	<u>1,659,027</u>	<u>59,157,186</u>	<u>14,353</u>	<u>258</u>	<u>75,693,184</u>

The investment properties comprise land and buildings, freehold and leasehold properties. The investment property portfolio was valued by the directors during December 2018 on the basis of open market value. The investment properties are subject to revaluations.

BRAMALL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

10. STOCKS

	2018	2017
	£	£
Raw materials and consumables	27,161	60,280
Work in progress - growing crops	252,049	322,465
Crops in store	42,540	63,233
	<u>321,750</u>	<u>445,978</u>

There is no material difference between the carrying value and replacement cost of stocks.

11. DEBTORS

	2018	2017
	£	£
Amounts due within one year:		
Trade debtors	568,119	456,774
Other debtors	3,353	3,353
Prepayments and accrued income	22,110	48,405
	<u>593,582</u>	<u>508,532</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans (note 14)	14,200,000	700,000
Other loan (note 14)	7,764,210	7,764,210
Loan notes (note 17)	19,500,000	18,500,000
Trade creditors	261,764	419,173
Corporation tax	432,503	246,051
Other creditors, including tax and social security	471,852	477,472
Accruals and deferred income	1,414,167	1,295,659
	<u>44,044,496</u>	<u>29,402,565</u>

The other loan is unsecured and bears interest at the rate of 4% per annum. It is repayable on demand. See note 17 for details of related party transactions.

The bank loan is a term loan secured over certain of three of company's properties which have a value of £25,270,000 at December 2018 (2017: £25,270,000). The loan bears interest at the rate of 2% above the bank base rate and is repayable in 2023.

BRAMALL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2018

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Bank loan (note 14)	-	14,200,000
Loan notes (note 17)	-	-
	<u>-</u>	<u>14,200,000</u>

14. BORROWINGS

	2018 £	2017 £
Bank loans and overdrafts	14,200,000	14,900,000
Other loans	7,764,210	7,764,210
Loan notes	19,500,000	18,500,000
	<u>41,464,210</u>	<u>41,164,210</u>
The maturity of the above amounts is as follows:		
Within one year or on demand	41,464,210	26,964,210
Between one and two years	-	14,200,000
Between two and five years	-	-
	<u>41,464,210</u>	<u>41,164,210</u>

All loans above are classified as basic, and are held at amortised cost.

15. PROVISION FOR LIABILITIES

	£
Deferred tax	
At 1 January 2018	2,018,483
Adjustment in respect of prior years	71,038
Deferred tax charge in OCI in the year	(2,815)
Deferred tax charge in profit and loss in the year	255,759
	<u>2,342,465</u>
At 31 December 2018	<u>2,342,465</u>

Deferred tax is provided as follows:

	2018 £	2017 £
Fixed asset timing differences	2,391,583	2,053,318
Non-trading timing differences	(424)	(424)
Losses	(48,694)	(34,411)
	<u>2,2,342,465</u>	<u>2,018,483</u>

Deferred tax assets and liabilities are offset only where the company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority.

There is no unrecognised deferred tax in current or prior year.

BRAMALL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

16. CAPITAL AND RESERVES

	2018 £	2017 £
Called-up, allotted and fully paid		
20,000 ordinary shares of £1 each	20,000	20,000

The called up share capital represents the nominal value of shares that have been issued.

The profit and loss account represents the current and cumulative prior period profits and losses.

The revaluation reserve represents the cumulative effect of revaluations of freehold land and buildings which are revalued to fair value at each reporting date.

17. RECONCILIATION OF NET DEBT

	1 January 2018 £	Cash flows £	Non cash movements £	31 st December 2018 £
Cash at bank and in hand	2,502,863	164,981		2,667,844
Bank & other debt	-22,664,210	+700,000	0	-21,964,210
Loan notes	-18,500,000	-1,000,000	0	-19,500,000
Net debt	-38,661,347	-135,019	0	-38,796,366

18. RELATED PARTY TRANSACTIONS

The company purchased goods and services totaling £212,759 (2017: £252,476) from Winterquay Limited during the year, of which £22,349 was outstanding at the year end and included in trade creditors (2017: £23,060). Sales of goods and services totaling £24,227 to Winterquay Limited were also made (2017: £23,138) of which £28,252 was due at year end and included in trade debtors (2017: £25,784).

The company purchased services totaling £28,531 (2017: £21,189) from D C A Bramall during the year, of which £18,780 was outstanding at the year end and included in trade creditors (2017: £20,555). Sales of services totaling £6,386 to D C A Bramall were also made (2017: £6,071) of which £6,386 was due at year end and included in trade debtors (2017: £0).

D C A Bramall controls Winterquay Limited and K S Bramall Ogden, A Bramall, and MJ Foody are directors of the company. All transactions were conducted at a commercial rate.

Other loans contain a loan from Guernsey Investments Limited amounting to £7,764,210 (2017: £7,764,210). The maximum balance in the year was £7,764,210 (2017: £7,764,210). The loan bears interest at the rate of 4% per annum amounting to £310,358 (2017: £303,444) and is repayable on demand. D C A Bramall controls the entire issued equity share capital of Guernsey Investments Limited.

During the year, a total of £1,000,000 of Eurobond loan notes were issued to Tivoli Mont Mallais Limited, a company controlled by either D C A Bramall or trusts established by family members. At the year-end date, loan notes with a total value of £19,500,000 (2017: £18,500,000) were due to related parties.

19. CONTROLLING PARTY

The company is jointly controlled by the directors.