

F.G. PIERCE & SONS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2019

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019	2018
		£	£
Fixed assets			
Tangible assets	6	495,782	493,150
Investments	7	8,026	8,026
Investment property	8	2,351,713	2,363,713
		2,855,521	2,864,889
Current assets			
Stocks		310,733	370,319
Debtors	9	179,954	188,652
Cash at bank and in hand		876,686	366,871
		1,367,373	925,842
Creditors: amounts falling due within one year	10	(1,284,512)	(912,717)
Net current assets		82,861	13,125
Total assets less current liabilities		2,938,382	2,878,014
Creditors: amounts falling due after more than one year	11	(555,691)	(775,489)
Provisions for liabilities			
Deferred tax		(15,656)	(8,254)
		(15,656)	(8,254)
Net assets		2,367,035	2,094,271
Capital and reserves			
Called up share capital		54,000	54,000
Capital redemption reserve		55,000	55,000
Profit and loss account		2,258,035	1,985,271
		2,367,035	2,094,271

F.G. PIERCE & SONS LIMITED
REGISTERED NUMBER: 00614817

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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.

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 by:

.....
Mr W F Pierce
Director

Date: 27 August 2020

The notes on pages 3 to 12 form part of these financial statements.

F.G. PIERCE & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

FG. Pierce & Sons Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is 00614817 and registered office address is Orchard Place House Comp Road, Wrotham Heath, Sevenoaks, Kent, TN15 8QX. The presentation currency of the financial statements is the Pound Sterling (£). The financial statements are presented to the nearest whole pound.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Turnover

Turnover comprises amounts derived from the provision of goods and services in the normal course of business, net of discounts and value added tax.

Income received from the company's portfolio of rental units is included in turnover since this is considered to be part of the company's trading activities.

Income due under the Basic Payment Scheme is included in turnover for the calendar year to which it relates provided that, at the balance sheet date, the qualifying conditions have been met.

2.3 Going concern

The accounts have been prepared on the going concern basis. No material uncertainties which may cast significant doubt about the company's ability to continue as a going concern have been identified by the directors.

The directors have considered the effect of the Covid-19 outbreak following the end of the year and do not anticipate that it will have a significant impact on the farming income, nor on the farming costs, availability of labour or the supply chain. Some tenants have, with agreement, taken a rental holiday but full payment is expected before the end of the calendar year. The directors consider that the company has sufficient resources to maintain its operations until the situation stabilises.

2.4 Operating leases

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.5 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

2.7 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 the Statement of income and retained earnings 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.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.9 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.

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:

Long-term leasehold property	-	10%	on cost
Plant and machinery	-	25%	on cost and 15% on cost
Tractors and vehicles	-	25%	on cost
Office equipment	-	25%	on cost and 10% on cost

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 the Statement of income and retained earnings.

2.10 Investment property

Investment property is carried at fair value determined annually by the directors 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 the Statement of income and retained earnings.

2.11 Valuation of investments

Fixed asset investments are stated at historic cost less impairment.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

Deemed cost is estimated at 75% of the market value for harvested crops, less monies received on account.

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 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 the Statement of income and retained earnings 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.

2.15 Financial instruments

The Company only enters into basic financial instrument 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 ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of income and retained earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors have estimated the market value of the company's investment properties based on an initial valuation prepared by Hobbs Parker Property Consultants LLP in April 2014, and applying the same criteria to the current year. No other significant judgements and estimates have been made by management in preparing these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Operating profit

The operating profit is stated after charging:

	2019	<i>2018</i>
	£	£
Depreciation	<u>67,430</u>	<u><i>122,624</i></u>

5. Employees

The average monthly number of employees, including directors, during the year was 5 (*2018 - 5*).

6. Tangible fixed assets

	Land and buildings	Plant and machinery	Tractors and vehicles	Office equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2019	476,020	1,121,833	403,269	18,161	2,019,283
Additions	4,537	60,395	2,500	2,682	70,114
Disposals	-	(10,683)	-	(3,077)	(13,760)
At 31 December 2019	<u>480,557</u>	<u>1,171,545</u>	<u>405,769</u>	<u>17,766</u>	<u>2,075,637</u>
Depreciation					
At 1 January 2019	161,827	948,811	403,269	12,226	1,526,133
Charge for the year on owned assets	20,521	45,761	52	1,148	67,482
Disposals	-	(10,683)	-	(3,077)	(13,760)
At 31 December 2019	<u>182,348</u>	<u>983,889</u>	<u>403,321</u>	<u>10,297</u>	<u>1,579,855</u>
Net book value					
At 31 December 2019	<u>298,209</u>	<u>187,656</u>	<u>2,448</u>	<u>7,469</u>	<u>495,782</u>
At 31 December 2018	<u><i>314,193</i></u>	<u><i>173,022</i></u>	<u><i>-</i></u>	<u><i>5,935</i></u>	<u><i>493,150</i></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019	<i>2018</i>
	£	£
Plant and machinery	52,904	-
	<u>52,904</u>	<u>-</u>

7. Fixed asset investments

	Other investments
	£
Cost or valuation	
At 1 January 2019	8,026
At 31 December 2019	<u>8,026</u>

Fixed asset investments are included at cost, being the directors' best estimate of their value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. Investment property

	Land and buildings £
Valuation	
At 1 January 2019	2,363,713
Disposals	(12,000)
At 31 December 2019	<u><u>2,351,713</u></u>

The properties have been reflected in the accounts at open market value at 31 December 2019 as estimated by the directors and based on a valuation by Mr M Sawdon MRICS of Hobbs Parker Property Consultants LLP, carried out in April 2014.
On a historical cost basis these properties would have been included at an original cost of £2,728,615) (2018: £2,740,615).
The properties above are let out on operating leases.

9. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors	5,264	6,616
	<u>5,264</u>	<u>6,616</u>
Due within one year		
Trade debtors	138,661	141,658
Other debtors	24,246	24,491
Prepayments and accrued income	11,783	15,887
	<u><u>179,954</u></u>	<u><u>188,652</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. Creditors: Amounts falling due within one year

2019 £	2018 £
-----------	-----------

Bank loans	220,731	196,628
Trade creditors	869,764	493,240
Corporation tax	65,460	103,428
Taxation and social security	4,324	4,449
Obligations under finance lease and hire purchase contracts	18,026	-
Other creditors	354	<u>5,425</u>
Accruals and deferred income	105,853	109,547
	<u>1,284,512</u>	<u>912,717</u>

11. Creditors: Amounts falling due after more than one year

	2019	2018
	£	£
Bank loans	537,664	775,489
Net obligations under finance leases and hire purchase contracts	18,027	-
	<u>555,691</u>	<u>775,489</u>

The following liabilities were secured:

	2019	2018
	£	£
Bank loans	758,395	972,117
Hire purchase contracts	36,053	-
	<u>794,448</u>	<u>972,117</u>

Details of security provided:

The bank loan and overdraft are secured by a debenture over the assets of the company, a first charge over the property, a personal guarantee given by Mr W.F. Pierce and the assignment of a life policy in relation to Mr A.W. Pierce. Assets held under hire purchase contracts and finance leases are secured on the assets concerned.

F.G. PIERCE & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Loans

Analysis of the maturity of loans is given below:

	2019	<i>2018</i>
	£	<i>£</i>
Amounts falling due within one year		
Bank loans	220,731	<i>196,628</i>
	220,731	<i>196,628</i>
Amounts falling due 1-2 years		
Bank loans	223,599	<i>203,095</i>
	223,599	<i>203,095</i>
Amounts falling due 2-5 years		
Bank loans	278,346	<i>509,358</i>
	278,346	<i>509,358</i>
Amounts falling due after more than 5 years		
Bank loans	35,719	<i>63,036</i>
	35,719	<i>63,036</i>
	758,395	<i>972,117</i>

13. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019	<i>2018</i>
	£	<i>£</i>
Within one year	18,026	<i>-</i>
Between 1-5 years	18,027	<i>-</i>
	36,053	<i>-</i>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Operating leases

	2019 £	2018 £
Within one year	22,000	22,000
Between one and five years	65,771	98,415
	<u>87,771</u>	<u>120,415</u>

15. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
54,000 (2018 - 54,000) Ordinary shares of £1.00 each	<u>54,000</u>	<u>54,000</u>

16. Directors' advances, credits and guarantees

An interest free loan, for which there are no fixed repayment terms, has been made to a director. Repayments totalling £3,933 have been made during the year and £2,000 has been waived by the company. The balance owing to the company at the year end date was £14,425 (2018: £20,358).

An interest free loan, for which there are no fixed repayment terms, has been made to a second director. The balance owing to the company at the year end date was £5,675 (2018: £Nil).

17. Related party transactions

Directors' remuneration paid in the year, including benefits and pension contributions, amounted to £115,839 (2018: £114,941).