

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 28 February 2021
for
Corbett Farms Limited

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DIRECTORS:

Mrs P Corbett
R G U Corbett
Mrs P A Corbett
Mrs S C Hudson
R S Gwilliam

SECRETARY:

R G U Corbett

REGISTERED OFFICE:

Ox House
Shobdon
Leominster
Herefordshire
HR6 9LT

REGISTERED NUMBER:

00633546 (England and Wales)

AUDITORS:

A D Accounts Limited (Registered Auditors)
Rural Enterprise Centre
Vincent Carey Road
Rotherwas
Hereford
Herefordshire
HR2 6FE

Strategic Report
for the Year Ended 28 February 2021

The directors present their strategic report for the year ended 28 February 2021.

REVIEW OF BUSINESS

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

As a farming business largely based in poultry, the company continues to provide hatching eggs. This along with the company's other main activities are organized in the following enterprises:-

Poultry
Cereals and Crops
Apples and Blackcurrants
Sundry other income largely arising from agricultural activities and assets

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross margin and return on capital employed.

The turnover of the company by departments was as follows:

	2021 £ 's	2020 £ 's
Poultry	7,527	7,622
Cereals and Crops	286	314
Apples and Blackcurrants	355	380
Miscellaneous sales	57	38
	<u>8,225</u>	<u>8,354</u>

Overall operating profit has increased to £1,685,959 (20%) from £1,080,508 (13% 2020) and profit before tax to £1,725,506 (£1,126,565 - 2020). Return on capital employed has increased to 16.3% (12.2% 2020).

PRINCIPAL RISKS AND UNCERTAINTIES

With the ongoing consequence of Brexit and the global pandemic (such as staff and fuel shortages), together with the current economy uncertainties and risks in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside our control.

ON BEHALF OF THE BOARD:

R G U Corbett - Director

21 October 2021

The directors present their report with the financial statements of the company for the year ended 28 February 2021.

DIVIDENDS

Dividends totalling £300,000 were paid during the year ended 28th February 2021 in relation to the previous financial year.

The directors recommended dividends per share as follows to be paid during the year ended 28th February 2022 in relation to the year ended 28th February 2021:-

'A' Ordinary £1 shares	NIL
'B' Ordinary £1 shares	£3.70

The total dividends for the year ended 28th February 2021 payable in the following financial year, are £150,000.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 March 2020 to the date of this report.

Mrs P Corbett
R G U Corbett
Mrs P A Corbett
Mrs S C Hudson
R S Gwilliam

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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). 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, A D Accounts Limited (Registered Auditors), will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

R G U Corbett - Director

21 October 2021

Opinion

We have audited the financial statements of Corbett Farms Limited (the 'company') for the year ended 28 February 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

Auditors' 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 a Report of the Auditors 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.

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows;

- The engagement partner ensured that the management team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- Specific laws and regulations applicable to the company were identified through discussions with the Managing Director, and from our knowledge and experience of the agricultural industry.
- We focused on specific laws and regulations which we considered may have a direct material affect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, environmental and health and safety legislation.
- We assessed the extent of compliance with laws and regulations identified above through making enquiries of management and inspecting legal documentation.
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by;

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Tested journal entries to identify unusual transactions.
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.
- Investigated the rationale behind significant and unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to;

- Agreeing financial statement disclosure to underlying supporting documentation.
- Enquiring of management as to actual and potential litigation and claims.
- Reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and the inspection of the regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Responsibility for the prevention of irregularities, including fraud, rests with the directors.

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 Report of the Auditors.

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 a Report of the Auditors 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.

Allan James Davies F.C.C.A. (Senior Statutory Auditor)
for and on behalf of A D Accounts Limited (Registered Auditors)
Rural Enterprise Centre
Vincent Carey Road
Rotherwas
Hereford
Herefordshire
HR2 6FE

25 October 2021

Statement of Comprehensive Income
for the Year Ended 28 February 2021

	Notes	2021 £	2020 £
TURNOVER	4	8,225,140	8,353,774
Cost of sales		<u>(5,746,753)</u>	<u>(6,482,738)</u>
GROSS PROFIT		2,478,387	1,871,036
Administrative expenses		<u>(1,300,190)</u>	<u>(1,268,753)</u>
		1,178,197	602,283
Other operating income		<u>507,762</u>	<u>478,225</u>
OPERATING PROFIT	6	1,685,959	1,080,508
Income from fixed asset investments		22,500	30,000
Interest receivable and similar income		<u>26,035</u>	<u>29,294</u>
		1,734,494	1,139,802
Interest payable and similar expenses	7	<u>(8,988)</u>	<u>(13,237)</u>
PROFIT BEFORE TAXATION		1,725,506	1,126,565
Tax on profit	8	<u>(378,849)</u>	<u>(243,878)</u>
PROFIT FOR THE FINANCIAL YEAR		1,346,657	882,687
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR		<u>1,346,657</u>	<u>882,687</u>

The notes form part of these financial statements

Balance Sheet
28 February 2021

		2021	2020
	Notes	£	£
FIXED ASSETS			
Tangible assets	10	5,216,226	4,052,623
Investments	11	<u>487,688</u>	<u>376,678</u>
		<u>5,703,914</u>	<u>4,429,301</u>
CURRENT ASSETS			
Stocks	12	1,787,819	809,723
Debtors	13	2,082,728	1,767,779
Cash at bank and in hand		<u>1,222,800</u>	<u>2,122,200</u>
		5,093,347	4,699,702
CREDITORS			
Amounts falling due within one year	14	<u>(1,981,161)</u>	<u>(1,464,571)</u>
NET CURRENT ASSETS		<u>3,112,186</u>	<u>3,235,131</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,816,100	7,664,432
CREDITORS			
Amounts falling due after more than one year	15	(233,947)	(275,436)
PROVISIONS FOR LIABILITIES	18	<u>(337,000)</u>	<u>(190,500)</u>
NET ASSETS		<u>8,245,153</u>	<u>7,198,496</u>
CAPITAL AND RESERVES			
Called up share capital	19	58,039	58,039
Share premium	20	58,565	58,565
Capital redemption reserve	20	19,970	19,970
Retained earnings	20	<u>8,108,579</u>	<u>7,061,922</u>
SHAREHOLDERS' FUNDS		<u>8,245,153</u>	<u>7,198,496</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 October 2021 and were signed on its behalf by:

R G U Corbett - Director

Statement of Changes in Equity
for the Year Ended 28 February 2021

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 March 2019	58,039	6,479,235	58,565	19,970	6,615,809
Changes in equity					
Dividends	-	(300,000)	-	-	(300,000)
Total comprehensive income	-	882,687	-	-	882,687
Balance at 29 February 2020	58,039	7,061,922	58,565	19,970	7,198,496
Changes in equity					
Dividends	-	(300,000)	-	-	(300,000)
Total comprehensive income	-	1,346,657	-	-	1,346,657
Balance at 28 February 2021	58,039	8,108,579	58,565	19,970	8,245,153

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 28 February 2021

		2021	2020
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	1,390,353	1,914,987
Interest paid		(5,530)	(9,191)
Interest element of hire purchase payments paid		(3,458)	(4,046)
Tax paid		(245,000)	(147,878)
Net cash from operating activities		<u>1,136,365</u>	<u>1,753,872</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,733,832)	(360,967)
Purchase of fixed asset investments		(111,010)	(86,226)
Sale of tangible fixed assets		71,178	5,700
Interest received		26,035	29,294
Dividends received		22,500	30,000
Net cash from investing activities		<u>(1,725,129)</u>	<u>(382,199)</u>
Cash flows from financing activities			
Loan repayments in year		(72,402)	(69,166)
Capital repayments in year		82,531	(16,470)
Amount introduced by directors		208,402	462,992
Amount withdrawn by directors		(229,167)	(249,514)
Equity dividends paid		(300,000)	(300,000)
Net cash from financing activities		<u>(310,636)</u>	<u>(172,158)</u>
(Decrease)/increase in cash and cash equivalents		<u>(899,400)</u>	<u>1,199,515</u>
Cash and cash equivalents at beginning of year	2	2,122,200	922,685
Cash and cash equivalents at end of year	2	<u>1,222,800</u>	<u>2,122,200</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 28 February 2021**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2021 £	2020 £
Profit before taxation	1,725,506	1,126,565
Depreciation charges	496,756	404,736
Loss/(profit) on disposal of fixed assets	2,296	(2,213)
Finance costs	8,988	13,237
Finance income	(48,535)	(59,294)
	<u>2,185,011</u>	<u>1,483,031</u>
Increase in stocks	(978,096)	(88,255)
(Increase)/decrease in trade and other debtors	(294,184)	229,342
Increase in trade and other creditors	<u>477,622</u>	<u>290,869</u>
Cash generated from operations	<u><u>1,390,353</u></u>	<u><u>1,914,987</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 28 February 2021

	28.2.21 £	1.3.20 £
Cash and cash equivalents	<u>1,222,800</u>	<u>2,122,200</u>

Year ended 29 February 2020

	29.2.20 £	1.3.19 £
Cash and cash equivalents	<u>2,122,200</u>	<u>922,685</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.3.20 £	Cash flow £	At 28.2.21 £
Net cash			
Cash at bank and in hand	<u>2,122,200</u>	<u>(899,400)</u>	<u>1,222,800</u>
	<u>2,122,200</u>	<u>(899,400)</u>	<u>1,222,800</u>
Debt			
Finance leases	(29,207)	(82,531)	(111,738)
Debts falling due within 1 year	(70,780)	(1,112)	(71,892)
Debts falling due after 1 year	<u>(262,699)</u>	<u>73,513</u>	<u>(189,186)</u>
	<u>(362,686)</u>	<u>(10,130)</u>	<u>(372,816)</u>
Total	<u><u>1,759,514</u></u>	<u><u>(909,530)</u></u>	<u><u>849,984</u></u>

1. **STATUTORY INFORMATION**

Corbett Farms Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods.

Turnover from the sale of eggs and other goods is recognised when the significant risks and rewards of the ownership of them has transferred to the buyer. For the sale of eggs, this is usually at the point of hatching. For the sale of other goods, this is usually at the point that the customer has signed for the delivery of the goods.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- Straight line over 50 years
Improvements to property	- Straight line over 16 years
Plant and machinery	- 10% on reducing balance and Straight line over 5 to 10 years

Stocks

Stock is valued using various methods that are intended to estimate the value at the lower of cost or net realisable value, after making due allowances for obsolete and slow moving items. In respect of livestock an estimated NRV is arrived at by consistently writing off cost, down to anticipated cull value, on a straight line basis over the animals useful life.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. ACCOUNTING POLICIES - continued**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement. They are classified as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

4. TURNOVER

The analysis of turnover by activity is as follows:

	2021	2020
	£	£
Sale of goods	<u>8,225,140</u>	<u>8,353,774</u>

5. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	1,450,989	1,326,138
Social security costs	<u>112,720</u>	<u>116,735</u>
	<u>1,563,709</u>	<u>1,442,873</u>

The average number of employees during the year was as follows:

	2021	2020
Farming	54	57
Office	3	2
Management	<u>3</u>	<u>4</u>
	<u>60</u>	<u>63</u>

5. EMPLOYEES AND DIRECTORS - continued

	2021	2020
	£	£
Directors' remuneration	<u>157,332</u>	<u>215,673</u>

6. OPERATING PROFIT

	2021	2020
	£	£
Depreciation - owned assets	470,056	394,380
Depreciation - assets on hire purchase contracts	26,699	10,356
Loss/(profit) on disposal of fixed assets	2,296	(2,213)
Auditors' remuneration	7,500	6,500
Auditors' fees for other services	<u>1,250</u>	<u>2,250</u>
	8,750	8,750

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank loan interest	5,530	9,191
Hire purchase charges	238	-
Leasing	<u>3,220</u>	<u>4,046</u>
	<u>8,988</u>	<u>13,237</u>

8. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	<u>232,349</u>	<u>244,878</u>
Deferred tax:		
Deferred tax - current year	125,600	(1,000)
Deferred tax - prior year	20,900	-
Total deferred tax	<u>146,500</u>	<u>(1,000)</u>
Tax on profit	<u>378,849</u>	<u>243,878</u>

UK corporation tax has been charged at 19% (2020 - 19%).

8. TAXATION - continued**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit before tax	<u>1,725,506</u>	<u>1,126,565</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	327,846	214,047
Effects of:		
Expenses not deductible for tax purposes	651	-
Income not taxable for tax purposes	(4,275)	(5,700)
Capital allowances in excess of depreciation	(91,873)	-
Depreciation in excess of capital allowances	-	36,653
Adjustments to tax charge in respect of previous periods	-	(122)
Deferred tax charge for the year	125,600	(1,000)
Deferred tax charge relating to prior year	<u>20,900</u>	<u>-</u>
Total tax charge	<u>378,849</u>	<u>243,878</u>

9. DIVIDENDS

	2021 £	2020 £
'B' Ordinary £1 shares		
Paid in year	300,000	300,000
Paid after the year end (not recognised as a liability)	150,000	300,000
Paid equity dividends on "B" Ordinary shares (per share)	7.40	7.40

Dividends totalling £126,508 were paid to the directors in the year (2020 £126,508).

Notes to the Financial Statements - continued
for the Year Ended 28 February 202110. **TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Plant and machinery £	Totals £
COST				
At 1 March 2020	2,528,463	3,626,849	4,703,890	10,859,202
Additions	-	760,874	972,958	1,733,832
Disposals	-	-	(146,265)	(146,265)
At 28 February 2021	2,528,463	4,387,723	5,530,583	12,446,769
DEPRECIATION				
At 1 March 2020	451,485	2,848,207	3,506,887	6,806,579
Charge for year	47,887	171,327	277,541	496,755
Eliminated on disposal	-	-	(72,791)	(72,791)
At 28 February 2021	499,372	3,019,534	3,711,637	7,230,543
NET BOOK VALUE				
At 28 February 2021	2,029,091	1,368,189	1,818,946	5,216,226
At 29 February 2020	2,076,978	778,642	1,197,003	4,052,623

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 March 2020	103,148
Additions	215,170
Transfer to ownership	(16,200)
At 28 February 2021	302,118
DEPRECIATION	
At 1 March 2020	14,789
Charge for year	26,699
Transfer to ownership	(2,349)
At 28 February 2021	39,139
NET BOOK VALUE	
At 28 February 2021	262,979
At 29 February 2020	88,359

Notes to the Financial Statements - continued
for the Year Ended 28 February 2021**11. FIXED ASSET INVESTMENTS**

	Unlisted investments £
COST	
At 1 March 2020	376,678
Additions	<u>111,010</u>
At 28 February 2021	<u>487,688</u>
NET BOOK VALUE	
At 28 February 2021	<u>487,688</u>
At 29 February 2020	<u>376,678</u>

12. STOCKS

	2021 £	2020 £
Livestock	1,639,236	567,818
Crops & stores	<u>148,583</u>	<u>241,905</u>
	<u>1,787,819</u>	<u>809,723</u>

13. DEBTORS

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	739,071	460,080
Other debtors	69,827	56,843
Directors' current accounts	127,938	107,173
VAT	121,177	84,498
Prepayments and accrued income	<u>45,165</u>	<u>38,171</u>
	<u>1,103,178</u>	<u>746,765</u>
Amounts falling due after more than one year:		
Other debtors	<u>979,550</u>	<u>1,021,014</u>
Aggregate amounts	<u>2,082,728</u>	<u>1,767,779</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 16)	71,892	70,780
Hire purchase contracts (see note 17)	66,977	16,470
Trade creditors	1,265,552	900,264
Corporation tax	232,349	245,000
Social security and other taxes	59,206	91,085
Other creditors	277,788	133,575
Directors' current accounts	7,397	7,397
	<u>1,981,161</u>	<u>1,464,571</u>

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

	2021	2020
	£	£
Bank loans (see note 16)	189,186	262,699
Hire purchase contracts (see note 17)	44,761	12,737
	<u>233,947</u>	<u>275,436</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bearwood loan	<u>71,892</u>	<u>70,780</u>
Amounts falling due between one and two years:		
Bearwood loan	<u>74,050</u>	<u>72,679</u>
Amounts falling due between two and five years:		
Bearwood loan	<u>115,136</u>	<u>190,020</u>

HSBC plc holds a floating charge over the company's assets together with legal charges over various elements of the company's freehold land and buildings, in order to secure its borrowings.

Notes to the Financial Statements - continued
for the Year Ended 28 February 2021**17. LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Net obligations repayable:		
Within one year	66,977	16,470
Between one and five years	<u>44,761</u>	<u>12,737</u>
	<u>111,738</u>	<u>29,207</u>

18. PROVISIONS FOR LIABILITIES

	2021 £	2020 £
Deferred tax	<u>337,000</u>	<u>190,500</u>
		Deferred tax £
Balance at 1 March 2020		190,500
Accelerated capital allowances		<u>146,500</u>
Balance at 28 February 2021		<u>337,000</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2021 £	2020 £
Number:	Class:			
17,500	'A' Ordinary	£1	17,500	17,500
40,539	'B' Ordinary	£1	<u>40,539</u>	<u>40,539</u>
			<u>58,039</u>	<u>58,039</u>

20. RESERVES

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 March 2020	7,061,922	58,565	19,970	7,140,457
Profit for the year	1,346,657			1,346,657
Dividends	<u>(300,000)</u>			<u>(300,000)</u>
At 28 February 2021	<u>8,108,579</u>	<u>58,565</u>	<u>19,970</u>	<u>8,187,114</u>

21. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contribution payable by the company to these funds and amounted to £58,319 (2020 - £56,920). Contributions totalling £8,504 (2020 £6,954) were payable to the funds as at 28th February 2021.

22. OTHER FINANCIAL COMMITMENTS

The company has contracted to lease a vehicle. The agreement commenced on 14th February 2020 and is to run for 24 months. The total financial commitment not included on the balance sheet is £2,952.

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 28 February 2021 and 29 February 2020:

	2021 £	2020 £
Mrs P Corbett		
Balance outstanding at start of year	15,355	13,960
Amounts advanced	13,387	13,395
Amounts repaid	(16,225)	(12,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>12,517</u>	<u>15,355</u>
R G U Corbett		
Balance outstanding at start of year	45,909	153,345
Amounts advanced	167,820	159,072
Amounts repaid	(156,019)	(266,508)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>57,710</u>	<u>45,909</u>
Mrs P A Corbett		
Balance outstanding at start of year	45,909	153,345
Amounts advanced	47,960	77,048
Amounts repaid	(36,159)	(184,484)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>57,710</u>	<u>45,909</u>

After the year end, the balances were repaid.

24. RELATED PARTY DISCLOSURES**Herefordshire Biogas Ltd**

	2021 £	2020 £
Sales	257,009	265,061
Amount due from related party	<u>59,530</u>	<u>62,404</u>

24. RELATED PARTY DISCLOSURES - continued

Arrow Buying and Marketing Company Limited

	2021	2020
	£	£
Sales	157,907	186,066
Purchases	109,900	133,997
Amount due from related party	38,388	24,674
Amount due to related party	<u>40,709</u>	<u>29,238</u>

Arrow Vale Contracting Limited

	2021	2020
	£	£
Sales	280,903	169,243
Purchases	225,676	213,057
Amount due from related party	470,831	189,927
Amount due to related party	<u>337,647</u>	<u>168,523</u>

25. POST BALANCE SHEET EVENTS

The company has purchased 100% of the share capital of Coldwell Properties Limited, a small private company. The transaction was effected on 8th April 2021.

26. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

27. KEY MANAGEMENT PERSONNEL

The key management personnel are the directors of the company. The total remuneration received by them is shown in note 5.

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