

Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 28 February 2023  
for  
Corbett Farms Limited

Contents of the Financial Statements  
for the Year Ended 28 February 2023

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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 (Statutory Auditors)  
Rural Enterprise Centre  
Vincent Carey Road  
Rotherwas  
Hereford  
Herefordshire  
HR2 6FE

Strategic Report  
for the Year Ended 28 February 2023

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The directors present their strategic report for the year ended 28 February 2023.

**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:

	2023 £ 's	2022 £ 's
Poultry	9,965	9,054
Cereals and Crops	323	292
Apples and Blackcurrants	416	277
Miscellaneous sales	96	29
	<u>10,800</u>	<u>9,652</u>

Overall operating profit has increased to £1,178,186 (10%) from £1,151,178 (13% 2022) . Profit before tax has decreased to £1,116,797 (£1,253,153 - 2022). Return on capital employed has decreased to 9% (11% 2022).

**PRINCIPAL RISKS AND UNCERTAINTIES**

With the ongoing consequence of livestock disease, Brexit and the war in Ukraine (such as staff and fuel shortages), together with the increase in inflation and general 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

28 November 2023

The directors present their report with the financial statements of the company for the year ended 28 February 2023.

#### **DIVIDENDS**

£150,000 of dividends were voted during the year ended 28th February 2023.

#### **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 2022 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 (Statutory Auditors), will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

R G U Corbett - Director

28 November 2023

### **Opinion**

We have audited the financial statements of Corbett Farms Limited (the 'company') for the year ended 28 February 2023 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 2023 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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 audit 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](http://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 (Statutory Auditors)  
Rural Enterprise Centre  
Vincent Carey Road  
Rotherwas  
Hereford  
Herefordshire  
HR2 6FE

28 November 2023

Statement of Comprehensive Income  
for the Year Ended 28 February 2023

		2023	2022
	Notes	£	£
<b>TURNOVER</b>	4	10,799,380	9,651,712
Cost of sales		<u>(8,829,647)</u>	<u>(7,672,118)</u>
<b>GROSS PROFIT</b>		1,969,733	1,979,594
Administrative expenses		<u>(1,351,520)</u>	<u>(1,405,323)</u>
		618,213	574,271
Other operating income		<u>559,973</u>	<u>576,907</u>
<b>OPERATING PROFIT</b>	6	1,178,186	1,151,178
Income from fixed asset investments		-	102,220
Interest receivable and similar income		<u>15,221</u>	<u>23,380</u>
		1,193,407	1,276,778
Interest payable and similar expenses	7	<u>(76,610)</u>	<u>(23,625)</u>
<b>PROFIT BEFORE TAXATION</b>		1,116,797	1,253,153
Tax on profit	8	<u>(206,618)</u>	<u>(291,213)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		910,179	961,940
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		-	-
<b>FOR THE YEAR</b>		<u>910,179</u>	<u>961,940</u>

The notes form part of these financial statements

Balance Sheet  
28 February 2023

		2023	2022
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	10	7,510,046	7,423,308
Investments	11	<u>726,191</u>	<u>554,748</u>
		<u>8,236,237</u>	<u>7,978,056</u>
<b>CURRENT ASSETS</b>			
Stocks	12	2,311,253	1,984,178
Debtors	13	2,186,555	2,142,351
Cash at bank and in hand		<u>717,740</u>	<u>335,728</u>
		5,215,548	4,462,257
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>(1,931,062)</u>	<u>(1,503,518)</u>
<b>NET CURRENT ASSETS</b>		<u>3,284,486</u>	<u>2,958,739</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		11,520,723	10,936,795
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	(1,285,499)	(1,469,750)
<b>PROVISIONS FOR LIABILITIES</b>	18	<u>(435,452)</u>	<u>(409,952)</u>
<b>NET ASSETS</b>		<u>9,799,772</u>	<u>9,057,093</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	40,539	58,039
Share premium	20	58,565	58,565
Capital redemption reserve	20	37,470	19,970
Retained earnings	20	<u>9,663,198</u>	<u>8,920,519</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>9,799,772</u>	<u>9,057,093</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 November 2023 and were signed on its behalf by:

R G U Corbett - Director

Statement of Changes in Equity  
for the Year Ended 28 February 2023

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
<b>Balance at 1 March 2021</b>	58,039	8,108,579	58,565	19,970	8,245,153
<b>Changes in equity</b>					
Dividends	-	(150,000)	-	-	(150,000)
Total comprehensive income	-	961,940	-	-	961,940
<b>Balance at 28 February 2022</b>	58,039	8,920,519	58,565	19,970	9,057,093
<b>Changes in equity</b>					
Issue of share capital	(17,500)	-	-	-	(17,500)
Dividends	-	(150,000)	-	-	(150,000)
Total comprehensive income	-	892,679	-	17,500	910,179
<b>Balance at 28 February 2023</b>	40,539	9,663,198	58,565	37,470	9,799,772

The notes form part of these financial statements

Cash Flow Statement  
for the Year Ended 28 February 2023

		2023	2022
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,882,042	762,084
Interest paid		(60,759)	(20,398)
Interest element of hire purchase payments paid		(15,851)	(3,227)
Tax paid		(228,100)	(231,952)
Net cash from operating activities		<u>1,577,332</u>	<u>506,507</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(749,642)	(2,778,810)
Purchase of fixed asset investments		(171,443)	(67,060)
Sale of tangible fixed assets		90,713	14,450
Interest received		15,221	23,380
Dividends received		-	102,220
Net cash from investing activities		<u>(815,151)</u>	<u>(2,705,820)</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	1,500,000
Loan repayments in year		(187,831)	(84,186)
Capital repayments in year		(44,761)	(66,977)
Amount introduced by directors		241,172	306,068
Amount withdrawn by directors		(221,249)	(192,664)
Share issue		(17,500)	-
Equity dividends paid		(150,000)	(150,000)
Net cash from financing activities		<u>(380,169)</u>	<u>1,312,241</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>382,012</u>	<u>(887,072)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	335,728	1,222,800
<b>Cash and cash equivalents at end of year</b>	2	<u><u>717,740</u></u>	<u><u>335,728</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 28 February 2023**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2023 £	2022 £
Profit before taxation	1,116,797	1,253,153
Depreciation charges	590,262	570,729
Profit on disposal of fixed assets	(18,070)	(13,450)
Finance costs	76,610	23,625
Finance income	(15,221)	(125,600)
	<u>1,750,378</u>	<u>1,708,457</u>
Increase in stocks	(327,075)	(196,359)
Increase in trade and other debtors	(57,807)	(163,893)
Increase/(decrease) in trade and other creditors	<u>516,546</u>	<u>(586,121)</u>
<b>Cash generated from operations</b>	<u><u>1,882,042</u></u>	<u><u>762,084</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 2023**

	28.2.23 £	1.3.22 £
Cash and cash equivalents	<u>717,740</u>	<u>335,728</u>

**Year ended 28 February 2022**

	28.2.22 £	1.3.21 £
Cash and cash equivalents	<u>335,728</u>	<u>1,222,800</u>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.3.22 £	Cash flow £	At 28.2.23 £
<b>Net cash</b>			
Cash at bank and in hand	<u>335,728</u>	<u>382,012</u>	<u>717,740</u>
	<u>335,728</u>	<u>382,012</u>	<u>717,740</u>
<b>Debt</b>			
Finance leases	(44,761)	44,761	-
Debts falling due within 1 year	(207,143)	3,579	(203,564)
Debts falling due after 1 year	<u>(1,469,750)</u>	<u>184,251</u>	<u>(1,285,499)</u>
	<u>(1,721,654)</u>	<u>232,591</u>	<u>(1,489,063)</u>
<b>Total</b>	<u><u>(1,385,926)</u></u>	<u><u>614,603</u></u>	<u><u>(771,323)</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.

**Investments**

Investments in minority holdings in trade related companies are recognised at cost.

The company is not required to produce group accounts as all wholly owned subsidiaries are immaterial to the financial statements and have been dormant during the year.

**Other income**

Other income, including dividends and rent, is recognised when due.

**4. TURNOVER**

The analysis of turnover by activity is as follows:

	2023	2022
	£	£
Sale of goods	<u>10,799,380</u>	<u>9,651,712</u>

**5. EMPLOYEES AND DIRECTORS**

	2023	2022
	£	£
Wages and salaries	1,628,813	1,560,499
Social security costs	<u>164,001</u>	<u>136,053</u>
	<u>1,792,814</u>	<u>1,696,552</u>

**5. EMPLOYEES AND DIRECTORS - continued**

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

	2023	2022
Farming	65	74
Office	4	3
Management	<u>3</u>	<u>3</u>
	<u>72</u>	<u>80</u>

	2023	2022
	£	£
Directors' remuneration	<u>255,621</u>	<u>219,367</u>

Information regarding the highest paid director is as follows:

	2023	2022
	£	£
Emoluments etc	<u>143,907</u>	<u>106,309</u>

**6. OPERATING PROFIT**

The operating profit is stated after charging:

	2023	2022
	£	£
Depreciation - owned assets	590,261	610,463
Depreciation - assets on hire purchase contracts	-	21,258
Loss/(profit) on disposal of fixed assets	(18,070)	(13,450)
Auditors' remuneration	8,000	7,750
Auditors' fees for other services	<u>2,000</u>	<u>1,300</u>
	10,000	9,050

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2023	2022
	£	£
Bank loan interest and charges	60,759	20,398
Hire purchase charges	30	10
Leasing	<u>15,821</u>	<u>3,217</u>
	<u>76,610</u>	<u>23,625</u>

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

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

	2023 £	2022 £
Current tax:		
UK corporation tax	175,476	218,261
Over/underprovision of tax	<u>5,642</u>	<u>-</u>
Total current tax	181,118	218,261
Deferred tax - current year	<u>25,500</u>	<u>72,952</u>
Tax on profit	<u>206,618</u>	<u>291,213</u>

UK corporation tax has been charged at 19% (2022 - 19%).

**Reconciliation of total tax charge included in profit and loss**

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

	2023 £	2022 £
Profit before tax	<u>1,116,797</u>	<u>1,253,153</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	212,191	238,099
Effects of:		
Expenses not deductible for tax purposes	200	-
Income not taxable for tax purposes	-	(19,422)
Capital allowances in excess of depreciation	(40,715)	(19)
Adjustments to tax charge in respect of previous periods	9,442	(397)
Deferred tax charge for the year	<u>25,500</u>	<u>72,952</u>
Total tax charge	<u>206,618</u>	<u>291,213</u>

**9. DIVIDENDS**

	2023 £	2022 £
'B' Ordinary £1 shares		
Paid in year	150,000	150,000
Paid after the year end	-	-
Paid equity dividends on "B" Ordinary shares (per share)	3.70	3.70

Notes to the Financial Statements - continued  
for the Year Ended 28 February 2023

## 10. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £	Totals £
<b>COST</b>				
At 1 March 2022	4,472,386	4,649,329	6,091,264	15,212,979
Additions	-	18,131	731,511	749,642
Disposals	-	-	(106,698)	(106,698)
At 28 February 2023	4,472,386	4,667,460	6,716,077	15,855,923
<b>DEPRECIATION</b>				
At 1 March 2022	548,075	3,217,214	4,024,382	7,789,671
Charge for year	47,888	167,710	374,663	590,261
Eliminated on disposal	-	-	(34,055)	(34,055)
At 28 February 2023	595,963	3,384,924	4,364,990	8,345,877
<b>NET BOOK VALUE</b>				
At 28 February 2023	3,876,423	1,282,536	2,351,087	7,510,046
At 28 February 2022	3,924,311	1,432,115	2,066,882	7,423,308

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

	Plant and machinery £
<b>COST</b>	
At 1 March 2022	215,170
Transfer to ownership	(215,170)
At 28 February 2023	-
<b>DEPRECIATION</b>	
At 1 March 2022	39,399
Transfer to ownership	(39,399)
At 28 February 2023	-
<b>NET BOOK VALUE</b>	
At 28 February 2023	-
At 28 February 2022	175,771

**11. FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>COST</b>	
At 1 March 2022	554,748
Additions	171,443
At 28 February 2023	<u>726,191</u>
<b>NET BOOK VALUE</b>	
At 28 February 2023	<u>726,191</u>
At 28 February 2022	<u>554,748</u>

Minority share interests are held in a number of companies for trade related or investment purposes.

**12. STOCKS**

	2023 £	2022 £
Livestock	1,826,675	1,674,391
Crops & stores	<u>484,578</u>	<u>309,787</u>
	<u>2,311,253</u>	<u>,1,984,178</u>

**13. DEBTORS**

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	817,606	899,403
Other debtors	185,078	134,619
Directors' current accounts	10,065	23,668
VAT	207,205	101,641
Prepayments and accrued income	<u>84,379</u>	<u>44,934</u>
	<u>1,304,333</u>	<u>1,204,265</u>
Amounts falling due after more than one year:		
Other debtors	<u>882,222</u>	<u>938,086</u>
Aggregate amounts	<u>2,186,555</u>	<u>2,142,351</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Bank loans and overdrafts (see note 16)	203,564	207,143
Hire purchase contracts (see note 17)	-	44,761
Trade creditors	1,248,179	618,033
Corporation tax	171,676	218,658
Social security and other taxes	118,791	98,600
Other creditors	166,001	299,792
Directors' current accounts	22,851	16,531
	<u>1,931,062</u>	<u>1,503,518</u>

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

	2023	2022
	£	£
Bank loans (see note 16)	<u>1,285,499</u>	<u>1,469,750</u>

**16. LOANS**

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Bank loan	128,993	133,133
Bearwood loan	<u>74,571</u>	<u>74,010</u>
	<u>203,564</u>	<u>207,143</u>
Amounts falling due between one and two years:		
Bank loan	140,923	137,171
Bearwood loan	<u>41,596</u>	<u>75,552</u>
	<u>182,519</u>	<u>212,723</u>
Amounts falling due between two and five years:		
Bank loan	445,334	434,077
Bearwood loan	<u>-</u>	<u>38,355</u>
	<u>445,334</u>	<u>472,432</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loan	<u>657,646</u>	<u>784,595</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.

**17. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts 2023 £	2022 £
Net obligations repayable:		
Within one year	<u>-</u>	<u>44,761</u>
	Non-cancellable operating leases	
	2023 £	2022 £
Within one year	7,460	-
Between one and five years	<u>9,070</u>	<u>-</u>
	<u>16,530</u>	<u>-</u>

**18. PROVISIONS FOR LIABILITIES**

	2023 £	2022 £
Deferred tax	<u>435,452</u>	<u>409,952</u>

	Deferred tax £
Balance at 1 March 2022	409,952
Accelerated capital allowances	<u>25,500</u>
Balance at 28 February 2023	<u>435,452</u>

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2023 £	2022 £
Number:	Class:	Nominal value:		
17,500	'A' Ordinary	£1	-	17,500
40,539	'B' Ordinary	£1	<u>40,539</u>	<u>40,539</u>
			<u>40,539</u>	<u>58,039</u>

A shares were redeemed at par and have been cancelled.

B shares have full voting and other rights.

**20. RESERVES**

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 March 2022	8,920,519	58,565	19,970	8,999,054
Profit for the year	910,179			910,179
Dividends	(150,000)			(150,000)
Transfer	(17,500)	-	17,500	-
At 28 February 2023	<u>9,663,198</u>	<u>58,565</u>	<u>37,470</u>	<u>9,759,233</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 £64,920 (2022 - £64,946). Contributions totalling £9,114 (2022- £8,105) were payable to the funds as at 28th February 2023.

**22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 28 February 2023 and 28 February 2022:

	2023 £	2022 £
<b>Mrs P Corbett</b>		
Balance outstanding at start of year	23,667	12,517
Amounts advanced	10,399	11,150
Amounts repaid	(24,000)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>10,066</u>	<u>23,667</u>
<b>R G U Corbett</b>		
Balance outstanding at start of year	(4,567)	57,710
Amounts advanced	174,379	138,612
Amounts repaid	(177,540)	(200,889)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(7,728)</u>	<u>(4,567)</u>
<b>Mrs P A Corbett</b>		
Balance outstanding at start of year	(4,567)	57,710
Amounts advanced	36,469	42,902
Amounts repaid	(39,360)	(105,179)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(7,458)</u>	<u>(4,567)</u>

After the year end, the balances were repaid.



**23. RELATED PARTY DISCLOSURES**

During the year the following sales and purchases took place with the following companies of which Mr RGU Corbett is a key member of management personnel;

**Herefordshire Biogas Ltd**

	2023	2022
	£	£
Sales	151,674	155,547
Amount due from related party	<u>67,322</u>	<u>32,396</u>

**Arrow Buying and Marketing Company Limited**

	2023	2022
	£	£
Sales	190,397	181,464
Purchases	130,979	81,561
Amount due from related party	1,250	30,000
Amount due to related party	<u>29,090</u>	<u>30,489</u>

**Arrow Vale Contracting Limited**

	2023	2022
	£	£
Sales	208,288	173,984
Purchases	172,301	98,182
Amount due from related party	301,323	421,837
Amount due to related party	<u>145,961</u>	<u>197,690</u>

**24. POST BALANCE SHEET EVENTS**

An investment included within fixed asset investments (note 11) at £325,040 has entered liquidation after the year end. The financial effect of this will be reflected in the current year.

**25. ULTIMATE CONTROLLING PARTY**

There is no ultimate controlling party.

**26. 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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