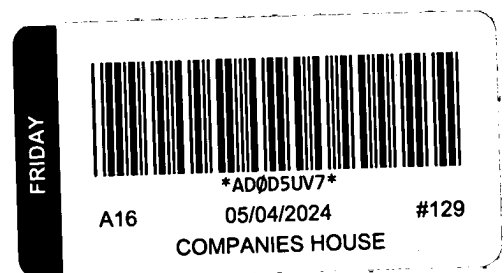


Company Registration No. 01304753 (England and Wales)

STERN FARMS LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2023**

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STERN FARMS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

The directors are responsible for preparing the Directors' Report 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.

STERN FARMS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 AUGUST 2023**

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	5	428,050		407,435	
Investments	6	25		25	
		<u>428,075</u>		<u>407,460</u>	
Current assets					
Stocks	7	255,699		376,366	
Debtors	8	100,795		106,290	
Cash at bank and in hand		133,996		118,180	
		<u>490,490</u>		<u>600,836</u>	
Creditors: amounts falling due within one year	9	<u>(273,281)</u>		<u>(290,890)</u>	
Net current assets		<u>217,209</u>		<u>309,946</u>	
Total assets less current liabilities		<u>645,284</u>		<u>717,406</u>	
Creditors: amounts falling due after more than one year	10	(18,000)		-	
Net assets		<u>627,284</u>		<u>717,406</u>	
Capital and reserves					
Called up share capital	13	100		100	
Profit and loss reserves	14	627,184		717,306	
Total equity		<u>627,284</u>		<u>717,406</u>	

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 27/03/24 and are signed on its behalf by:

Richard Janaway

R G Janaway
Director

STERN FARMS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 September 2021		100	441,921	442,021
Year ended 31 August 2022:				
Profit and total comprehensive income for the year		-	275,385	275,385
Balance at 31 August 2022		100	717,306	717,406
Year ended 31 August 2023:				
Profit and total comprehensive income for the year		-	56,904	56,904
Distributions		-	(147,026)	(147,026)
Balance at 31 August 2023		100	627,184	627,284

STERN FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Company information

Stern Farms Limited is a private company limited by shares and incorporated in England and Wales. The registered office and principal place of business is Lord Wandsworth College, Long Sutton, Hook, Hampshire, RG29 1TB.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, and under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Lord Wandsworth College. These consolidated financial statements are available from its registered office, Lord Wandsworth College, Long Sutton, Hook, Hampshire, RG29 1TB.

Going concern

These accounts are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for at least twelve months from the date of sign off. Given the current levels of trading, cash reserves held by the company and the availability of group support should it be needed, the directors believe that the going concern basis continues to be appropriate in preparing the financial statements.

Turnover

Turnover represents amounts receivable for the sale of, and subsidies for crops. Turnover is recognised when the Company has the right to the income which is upon delivery to the customer. The Single Farm Payment is recognised on an accruals basis in accordance with European Commission Regulations.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and are subsequently depreciated to their expected residual value.

STERN FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (Continued)

Tangible fixed assets (continued)

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Property improvements	5% straight line
Plant & machinery	15% straight line or 15% reducing balance
Tractors & combines	15% straight line or 15% reducing balance
Motor vehicles	15% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Investments

Fixed asset investments are stated at cost, being the cost price of shares acquired, less provision for diminution in value.

Stocks

Stock is valued at the lower of cost, being purchase price of materials used plus the costs of the farming methods undertaken, and the net realisable value. Subsidies are provided when the cost of the production is greater than the net realisable value of the stock on the open market. These subsidies have therefore been included in calculating the net realisable value of the stock held at the year end.

Cash and cash equivalents

Cash and cash equivalents include cash in hand.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

STERN FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Current tax

The tax expense represents the sum of the current tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the asset's fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease assets are consumed.

STERN FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (Continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

Distribution of profits

The Company has a policy of distributing gift aid of an amount up to the taxable profits each year to Lord Wandsworth College, its ultimate parent undertaking. In line with ICAEW Technical Release 'Tech16/14BL', the Company treats this donation as a distribution of reserves and it is paid either pre year end or within 9 months of the year end. Any donation made in this manner is capped to the level of distributable reserves available. The Board is responsible for formally agreeing the amount to be distributed each year.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stock

Grain in store of £200,676 (2022 - £315,842) forms part of the stock valuation and is valued based on an estimate of 75% of the current market value. The market price is taken from the Farmer's Weekly magazine being £267,568 (2022 - £421,123).

3 Employees

The average monthly number of persons employed by the company during the year was:

	2023 Number	2022 Number
Administration	1	2

Some of the Directors of the Company are also governors of Lord Wandsworth College, the parent Company. No remuneration is paid to the governors in respect of their services to the group.

STERN FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

4 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(40,227)	-
Fees payable to the company's auditor for the audit of the company's financial statements	7,500	6,500
Depreciation of owned tangible fixed assets	39,536	9,090
Depreciation of tangible fixed assets held under finance leases	14,007	34,076
(Profit) on disposal of tangible fixed assets	(22,831)	-
Operating lease charges	50,000	50,000

5 Tangible fixed assets

	Property improvements £	Plant & machinery £	Tractors & combines £	Motor vehicles £	Total £
Cost					
At 1 September 2022	2,078	266,066	318,290	6,495	592,929
Additions	-	1,458	101,869	-	103,327
Disposals	-	-	(66,672)	-	(66,672)
At 31 August 2023	2,078	267,524	353,487	6,495	629,584
Depreciation and impairment					
At 1 September 2022	2,078	126,504	50,417	6,495	185,494
Depreciation charged in the year	-	21,729	31,814	-	53,543
Eliminated in respect of disposals	-	-	(37,503)	-	(37,503)
At 31 August 2023	2,078	148,233	44,728	6,495	201,534
Carrying amount					
At 31 August 2023	-	119,291	308,759	-	428,050
At 31 August 2022	-	139,562	267,873	-	407,435

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2023 £	2022 £
Plant & machinery	-	30,772
Tractors & combines	97,030	219,872
	97,030	250,644

STERN FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

6 Fixed asset investments

	2023 £	2022 £
Unlisted investments	25	25

The investment is not more than 20% of the entity's share capital.

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 September 2022 & 31 August 2023	25
Carrying amount	
At 31 August 2023	25
At 31 August 2022	25

7 Stocks

	2023 £	2022 £
Finished goods and goods for resale	255,699	376,366

8 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	5,403	596
Other debtors	10,761	7,704
Prepayments and accrued income	84,631	97,990
	100,795	106,290

STERN FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

9 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Obligations under finance leases	11	18,000	18,651
Trade creditors		25,598	36,204
Taxation and social security		1,304	1,280
Other creditors		155,000	155,000
Accruals and deferred income		73,379	79,755
		<u>273,281</u>	<u>290,890</u>

Net obligations under finance leases and hire purchase contracts of £18,000 (2022 - £18,651) are secured on the related assets.

The 'other creditors' amounts falling due within one year is £155,000 (2022 - £155,000) relating to a debenture loan due to Lord Wandsworth College Limited, the parent entity. Debenture interest is charged at 5% per annum. Lord Wandsworth holds a fixed and floating charge over the assets of the Company in respect of the debenture.

10 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Obligations under finance leases	11	18,000	-
		<u>18,000</u>	<u>-</u>

Obligations under finance leases of £18,000 (2022 - £nil) are secured on the related assets.

11 Finance lease obligations

	2023 £	2022 £
Future minimum lease payments due under finance leases:		
Less than one year	18,000	18,651
Between one and five years	18,000	-
	<u>36,000</u>	<u>18,651</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

STERN FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

12 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	1,625	950

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

13 Share capital

	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100

The ordinary shares each carry full voting rights in all respects.

14 Reserves

Reserves of the Company represent the following:

Profit and loss account

Cumulative profit and loss net of distributions to owners.

15 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	50,000	50,000

16 Ultimate controlling party

The ultimate parent undertaking is Lord Wandsworth College, an incorporated charitable Company. The controlling parties are the Governors of the College.

Consolidated financial statements are available from Lord Wandsworth College, Long Sutton, Hook, Hampshire, RG29 1TB.

STERN FARMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

17 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Kerry Gallagher.

The auditor was RSM UK Audit LLP.