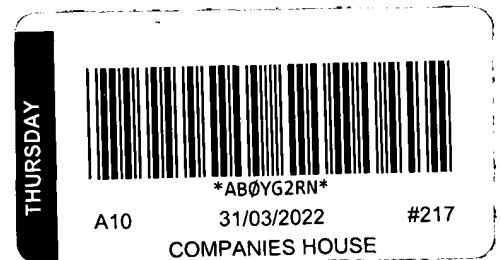


# Financial Statements

## Shipton Mill Limited

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For the financial period ended 26 March 2021



**Registered number: 01458168**

## **Shipton Mill Limited**

# Company Information

<b>Director</b>	John Lister
<b>Company secretary</b>	David Roberts
<b>Registered number</b>	01458168
<b>Registered office</b>	Shipton Mill Long Newnton Tetbury Gloucester GL8 8RP
<b>Independent auditor</b>	Grant Thornton Chartered Accountants & Statutory Auditors 13 - 18 City Quay Dublin 2
<b>Bankers</b>	Handelsbanken Bristol branch 66 Queen Square BS1 4JP
<b>Solicitors</b>	Burges Salmon Narrow Quay House Narrow Quay Bristol BS1 4AH

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# Strategic report

**For the financial period ended 26 March 2021**

## **Introduction**

The director has pleasure in presenting the strategic report of the company for the period ended 26 March 2021.

## **Principal activities and business review**

The principal activity of the company during the period was the milling of flour.

The director is satisfied with the trading results for the period which is in line with expectation.

## **Principal risks and uncertainties**

### **Economic risk**

The risk of increased interest rates and/or inflation may have an adverse impact on served markets.

### **Competition risk**

The director of the company manages competition risk through close attention to customer service levels and sourcing competitive products.

### **Financial risk**

All key financial figures are monitored on an ongoing basis. The director has financial reporting procedures in place to manage liquidity and other financial risks.

### **People in our business**

The continued success of the company has been achieved by the people working in it. There are many quality members of staff and the relatively low turnover of personnel reflects the general policy of providing good terms and conditions of employment while dealing with staff as well as the other stakeholders in the business, in a fair and consistent manner.

### **Brexit**

Uncertainty over Brexit was mitigated via detailed planning that addressed timings, critical paths, responsibilities, resource requirements and interdependence between suppliers and customers. In addition, we are monitoring the regulatory, certification and compliance controls within the industry and assessing tariff impacts on the company, our suppliers and customers. Whilst we are taking protective steps to position the company as best as possible, the outcome will be determined by matters and political events outside of our control.

### **Foreign exchange risk**

The company is exposed to some foreign exchange risk in the normal course of business, principally on purchases in US Dollars and Euros. The company regularly reviews exchange risk exposure and seeks to hedge against potential losses using forward exchange contracts where necessary.

## **Strategic report (continued)**

**For the financial period ended 26 March 2021**

### **Financial key performance indicators**

The company considers the following measures to be important indicators of the underlying performance of the business:

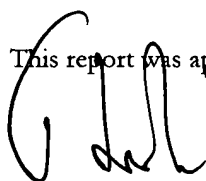
#### **Operating margin**

Operating margin for the company was 7.4% compared with 5.0% in 2020.

#### **Gross margin**

Gross margin for the company was 34.7% compared with 31.2% in 2020.

This report was approved by the board on 29 March 2022 and signed on its behalf.



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**John Lister**  
Director

## Director's report

**For the financial period ended 26 March 2021**

The director presents his report and the financial statements for the financial period ended 26 March 2021.

### **Director's responsibilities statement**

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Director's reports may differ from legislation in other jurisdictions.

### **Results and dividends**

The profit for the financial period, after taxation, amounted to £1,896,821 (2020 - £1,032,296).

The director has recommended a dividend of £Nil (2020: £Nil).

### **Director**

The director who served during the financial period was:

John Lister

### **Future developments**

The director plans to continue the company's current activities.

## **Director's report (continued)**

**For the financial period ended 26 March 2021**

### **Matters covered in the strategic report**

Under Schedule 7.1A of "Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008" the company has elected to disclose the following directors report information in the strategic report:

- Principal activities and business review;
- Principal risks and uncertainties; and
- Financial key performance indicators.

### **Impact of Covid-19**

On the 11th of March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic, which is currently ongoing. Management is closely monitoring the evolution of this pandemic, including how it may affect the company, its staff, the economy and the general population. Any long term future financial impacts of these events cannot be determined by management at this time as the directors note that this is a dynamic situation with continuous uncertainties surrounding the duration of the pandemic and disruptions to operations. However, trading levels and working capital remains strong, and thus, management are confident that the company is well placed to withstand potential future challenges in this context.

### **Disclosure of information to auditor**

The director at the time when this Director's report is approved has confirmed that:

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

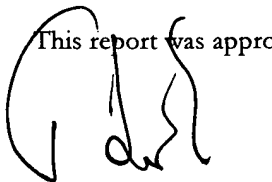
### **Post balance sheet events**

Apart from the ongoing monitoring of the impact of Covid 19 as referred to above, there are no other post balance sheet events of note.

### **Auditor**

The auditor, Grant Thornton, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29 March 2022 and signed on its behalf.



John Lister  
Director

# Independent auditor's report to the members of Shipton Mill Limited

## **Opinion**

We have audited the financial statements of Shipton Mill Limited, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity for the financial period ended 26 March 2021, and the related 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, Shipton Mill Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the company as at 26 March 2021 and of its financial performance for the financial period then ended; 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 'Responsibilities of the auditor 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 United Kingdom, namely the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances of the entity. 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 director's 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 the date when the financial statements are authorised for issue.

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



## Independent auditor's report to the members of Shipton Mill Limited (continued)

### **Other information**

Other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon, including the Director's report and the Strategic Report. The director are responsible for the other information. Our opinion on the financial statements does not cover the 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 in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Director's report and the Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements, and
- the Director's report and the Strategic Report 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 we have obtained in the course of the audit, we have not identified material misstatements in the Director's report and the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Independent auditor's report to the members of Shipton Mill Limited (continued)

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 and for such internal control as the director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

## Independent auditor's report to the members of Shipton Mill Limited (continued)

### **Responsibilities of the auditor for the audit of the financial statements**

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

A further description of an auditor's 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 auditor's report.

*Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud*  
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

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

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Data Privacy law, Environmental Regulations, Employment laws and Health and Safety laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions.

We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.

In response to these principal risks, our audit procedures included but were not limited to:

- inquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the company's regulatory and legal correspondence and review of minutes of the board of directors meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;

## Independent auditor's report to the members of Shipton Mill Limited (continued)

- challenging assumptions and judgements made by management in their significant accounting estimates, including estimating useful lives of tangible fixed assets and estimating an allowance for the impairment of receivables and stock; and
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Aidan Connaughton (Senior Statutory Auditor)  
for and on behalf of

**Grant Thornton**

Chartered Accountants & Statutory Auditors  
13 - 18 City Quay  
Dublin 2

29 March 2022

# Statement of comprehensive income

For the financial period ended 26 March 2021

	Note	2021 £	2020 £
Turnover	4	29,638,908	25,608,949
Cost of sales		(19,347,264)	(17,619,448)
<b>Gross profit</b>		<b>10,291,644</b>	<b>7,989,501</b>
Distribution costs		(2,574,203)	(1,669,676)
Administrative expenses		(5,530,539)	(5,060,825)
Other operating income		12,000	25,225
<b>Operating profit</b>	5	<b>2,198,902</b>	<b>1,284,225</b>
Interest receivable and similar income		12,937	11,630
Interest payable and similar expenses	9	(17,031)	(24,121)
<b>Profit before tax</b>		<b>2,194,808</b>	<b>1,271,734</b>
Tax on profit	10	(297,987)	(239,438)
<b>Profit for the financial period</b>		<b>1,896,821</b>	<b>1,032,296</b>

There was no other comprehensive income for 2021 (2020: £NIL).

All amounts relate to continuing operations.

The notes on pages 13 to 31 form part of these financial statements.

Shipton Mill Limited

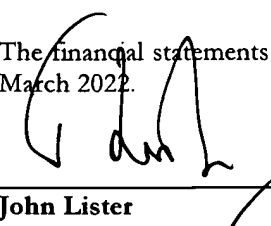
Registered number:01458168

## Statement of financial position

As at 26 March 2021

	Note	26 March 2021 £	27 March 2020 £
<b>Fixed assets</b>			
Tangible assets	11	7,108,887	4,906,861
Investments	12	1	1
		<u>7,108,888</u>	<u>4,906,862</u>
<b>Current assets</b>			
Stocks	13	1,703,491	1,386,848
Debtors: amounts falling due within one year	14	4,850,854	4,958,454
Cash at bank and in hand	15	585,164	1,304,397
		<u>7,139,509</u>	<u>7,649,699</u>
Creditors: amounts falling due within one year	16	(3,832,087)	(4,008,750)
<b>Net current assets</b>		<u>3,307,422</u>	<u>3,640,949</u>
<b>Total assets less current liabilities</b>		<u>10,416,310</u>	<u>8,547,811</u>
Creditors: amounts falling due after more than one year	17	(240,000)	(400,000)
<b>Provisions for liabilities</b>			
Deferred tax	20	(721,282)	(589,604)
		<u>(721,282)</u>	<u>(589,604)</u>
<b>Net assets</b>		<u>9,455,028</u>	<u>7,558,207</u>
<b>Capital and reserves</b>			
Called up share capital	21	1,000	1,000
Share premium account	22	9,900	9,900
Revaluation reserve	22	2,457,306	2,457,306
Profit and loss account	22	6,986,822	5,090,001
<b>Shareholders' funds</b>		<u>9,455,028</u>	<u>7,558,207</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 March 2022.

  
John Lister  
Director

The notes on pages 13 to 31 form part of these financial statements.

## Statement of changes in equity

For the financial period ended 26 March 2021

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 28 March 2020	1,000	9,900	2,457,306	5,090,001	7,558,207
Profit for the financial period	-	-	-	1,896,821	1,896,821
<b>At 26 March 2021</b>	<b>1,000</b>	<b>9,900</b>	<b>2,457,306</b>	<b>6,986,822</b>	<b>9,455,028</b>

The notes on pages 13 to 31 form part of these financial statements.

## Statement of changes in equity

For the financial period ended 27 March 2020

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 30 March 2019	1,000	9,900	2,457,306	4,057,705	6,525,911
Profit for the financial period	-	-	-	1,032,296	1,032,296
<b>At 27 March 2020</b>	<b>1,000</b>	<b>9,900</b>	<b>2,457,306</b>	<b>5,090,001</b>	<b>7,558,207</b>

The notes on pages 13 to 31 form part of these financial statements.

# Notes to the financial statements

For the financial period ended 26 March 2021

## **1. General information**

Shipton Mill Limited is a company incorporated in the UK. The principal activity of the company is the manufacture and distribution of flours. The registered office of the company is Shipton Mill, Long Newton, Tetbury, Gloucestershire, GL8 8RP, UK.

## **2. Accounting policies**

### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 & 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Coinstone Limited as at 26 March 2021 and these financial statements may be obtained from the Companies House, with a registered address of 4 Abbey Orchard Street, Westminster, London, SW1P 2HT.

### **2.3 Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

### **2.4 Group accounts**

The company has relied on specified exemptions in section 399 of the Companies Act 2006 on the grounds that the results of the company and its subsidiaries are consolidated in the financial statements of the ultimate parent company, Coinstone Limited. Consequently, these financial statements deal with the results of the company as a single entity.



# Notes to the financial statements

For the financial period ended 26 March 2021

## **2. Accounting policies (continued)**

### **2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### **2.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Long-term leasehold property	- 15 years over lease term
Plant and machinery	- 6% - 25% straight line
Motor vehicles	- 20% straight line
Assets under construction	- Not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

## Notes to the financial statements

For the financial period ended 26 March 2021

### **2. Accounting policies (continued)**

#### **2.7 Revaluation of tangible fixed assets**

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in the statement of comprehensive income.

#### **2.8 Impairment of assets**

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the assets in prior years. A reversal of an impairment loss is recognised immediately in the Statement of comprehensive income.

#### **2.9 Operating leases: the company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### **2.10 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

## Notes to the financial statements

For the financial period ended 26 March 2021

### **2. Accounting policies (continued)**

#### **2.11 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

#### **2.12 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### **2.13 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

# Notes to the financial statements

For the financial period ended 26 March 2021

## 2. Accounting policies (continued)

### 2.14 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

### 2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

# Notes to the financial statements

For the financial period ended 26 March 2021

## **2. Accounting policies (continued)**

### **2.16 Foreign currency translation**

#### **Functional and presentation currency**

The company's functional and presentational currency is GBP.

#### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

### **2.17 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### **2.18 Leased assets: Lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

### **2.19 Pensions**

#### **Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

## Notes to the financial statements

For the financial period ended 26 March 2021

### **2. Accounting policies (continued)**

#### **2.20 Provisions for liabilities**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

#### **2.21 Current and deferred taxation**

The tax expense for the financial period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# Notes to the financial statements

For the financial period ended 26 March 2021

## 3. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

### *Providing allowance for slow-moving and obsolete inventory*

Management evaluates the realisability of inventory on a case-by-case basis and make adjustments to the inventory provision based on an analysis of the historical usage of the individual inventory items. The company's core business is subject to market changes which may cause inventory obsolescence and is considered a key source of estimation uncertainty.

### *Estimating useful lives of tangible fixed assets*

The company estimates the useful lives of tangible assets based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limited on the use of the assets. In addition, estimation of the useful lives of tangible fixed assets is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above. Based on management's assessment in the current and previous period, there is no change in the estimated useful lives of tangible assets during those years.

### *Allowances for impairment of debtors*

The company estimates the allowance for doubtful trade debtors based on assessment of specific accounts where the company has objective evidence comprising default in payment terms or significant financial difficulty that certain customers are unable to meet their financial obligations. In these cases, judgement used was based on the best available facts and circumstances including but not limited to, the length of the relationship.

## 4. Turnover

The whole of the turnover is attributable to the one principal activity of the company.

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	28,770,925	24,983,443
Sales - Rest of world	867,983	625,506
	<u>29,638,908</u>	<u>25,608,949</u>

# Notes to the financial statements

For the financial period ended 26 March 2021

## 5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Rental operating leases	217,651	217,651
Loss on sale of tangible assets	362	-
Fees payable to the company's auditor and its associate for the audit of the company's annual financial statements	19,250	19,250
Depreciation of tangible fixed assets held under hire purchase agreements	30,590	30,590
Depreciation of tangible fixed assets owed by the company	475,402	486,760
Exchange differences	43,377	1,710
	<u>217,651</u>	<u>217,651</u>

## 6. Employees

Staff costs, including director's remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	2,031,668	1,974,535
Social security costs	213,906	181,222
Cost of defined contribution scheme	46,273	39,262
	<u>2,291,847</u>	<u>2,195,019</u>

The average monthly number of employees, including the director, during the financial period was as follows:

	2021 No.	2020 No.
Average number of employees	<u>67</u>	<u>61</u>

## 7. Director's remuneration

	2021 £	2020 £
Director's emoluments	71,853	134,709
Company contributions to defined contribution pension schemes	3,125	3,125
	<u>74,978</u>	<u>137,834</u>

During the financial period retirement benefits were accruing to 1 directors (2020 - 1) in respect of defined contribution pension schemes.



# Notes to the financial statements

For the financial period ended 26 March 2021

## 8. Interest receivable

	2021 £	2020 £
Interest receivable from group companies	12,937	11,630
	<u>12,937</u>	<u>11,630</u>

## 9. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	16,603	22,026
Hire purchase contracts	428	2,095
	<u>17,031</u>	<u>24,121</u>

## 10. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profit for the period	241,770	140,061
Adjustments in respect of previous periods	(75,461)	(44,732)
<b>Total current tax</b>	<u>166,309</u>	<u>95,329</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	131,678	66,038
Adjustments in respect of previous periods	-	22,959
Effect of tax rate change on opening balance	-	55,112
<b>Taxation on profit on ordinary activities</b>	<u>297,987</u>	<u>239,438</u>

# Notes to the financial statements

For the financial period ended 26 March 2021

## 10. Taxation (continued)

### Factors affecting tax charge for the financial period

The tax assessed for the financial period is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	2,194,808	1,271,734
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	417,014	241,629
<b>Effects of:</b>		
Expenses not deductible for tax purposes	35,513	11,212
Fixed asset timing differences	1,879	11,468
Adjustments to tax charge in respect of prior periods	(75,461)	(44,732)
Dividends from UK companies	-	55,112
Other timing differences	(30,029)	2,858
Adjustment in respect of prior period - deferred taxation	-	22,959
Group relief utilised	(50,929)	(61,068)
<b>Total tax charge for the financial period/period</b>	<b>297,987</b>	<b>239,438</b>

### Factors that may affect future tax charges

The standard rate of UK Corporation Tax is to remain at 19% until 31 March 2023. The Finance Act 2021, which was published on 11 March 2021 and received Royal Assent in July 2021, states that this rate is to be increased from 19% to 25% from 1 April 2023. In summary, the rate of corporation tax from 1 April 2023 will increase to 25% for companies generating taxable profits of more than £250,000. The current 19% tax rate will continue to apply to 'small' companies with profits less than £50,000, with a 'taper relief rate' for those companies with profits between the new thresholds. Deferred tax assets and liabilities have been recognised at using the tax rates applicable for the date the assets and liabilities are expected to reverse.

## Notes to the financial statements

For the financial period ended 26 March 2021

## 11. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Assets under construction £	Total £
<b>Cost or valuation</b>						
At 28 March 2020	3,181,485	143,197	6,245,639	1,523,451	596,715	11,690,487
Additions	29,659	-	279,586	46,405	2,356,980	2,712,630
Disposals	-	-	-	(21,285)	-	(21,285)
At 26 March 2021	<u>3,211,144</u>	<u>143,197</u>	<u>6,525,225</u>	<u>1,548,571</u>	<u>2,953,695</u>	<u>14,381,832</u>
<b>Depreciation</b>						
At 28 March 2020	680,936	94,042	4,746,572	1,262,076	-	6,783,626
Charge for the period	72,559	12,449	274,575	146,409	-	505,992
Disposals	-	-	-	(16,673)	-	(16,673)
At 26 March 2021	<u>753,495</u>	<u>106,491</u>	<u>5,021,147</u>	<u>1,391,812</u>	<u>-</u>	<u>7,272,945</u>
<b>Net book value</b>						
At 26 March 2021	<u>2,457,649</u>	<u>36,706</u>	<u>1,504,078</u>	<u>156,759</u>	<u>2,953,695</u>	<u>7,108,887</u>
At 29 March 2019	<u>2,500,549</u>	<u>49,155</u>	<u>1,499,067</u>	<u>261,375</u>	<u>596,715</u>	<u>4,906,861</u>

The net book value of land and buildings may be further analysed as follows:

	26 March 2021 £	27 March 2020 £
Freehold	2,457,649	2,500,549
Long leasehold	36,706	49,155
	<u>2,494,355</u>	<u>2,549,704</u>

# Notes to the financial statements

**For the financial period ended 26 March 2021**

## Hire purchase and finance lease agreements

Included within the net book value of £7,108,887 is £48,434 (2020: £79,904) relating to assets held under hire purchase agreements. The depreciation charged in the period in respect of assets held under hire purchase agreements amounted to £30,590 (2020: £30,590).

## Revalued assets

The freehold properties were revalued in May 2018 by independent chartered surveyors on the basis of fair value. The director is satisfied that the current carrying value of these properties is not materially different to the market value as at 26 March 2021.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	26 March 2021 £	27 March 2020 £
Cost	919,157	919,157
Accumulated depreciation	(450,178)	(431,527)
<b>Net book value</b>	<b>468,979</b>	<b>487,630</b>

## 12. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 28 March 2020	1
At 26 March 2021	1

The above investment relates to £1 Ordinary Share of Golden Sands Limited.

Shipton Mill Limited holds 100% of the ordinary shares of Golden Sands Limited, a company incorporated and registered in The Cayman Islands. Golden Sands Limited is a dormant company with £Nil capital and reserves.

# Notes to the financial statements

For the financial period ended 26 March 2021

## 13. Stocks

	26 March 2021 £	27 March 2020 £
Raw materials and consumables	829,861	769,741
Finished goods and goods for resale	873,630	617,107
	<u>1,703,491</u>	<u>1,386,848</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

## 14. Debtors

	26 March 2021 £	27 March 2020 £
Trade debtors	2,950,324	2,763,685
Amounts owed by group undertakings	1,632,192	1,877,297
Amounts owed by related party undertaking	1,624	1,449
Other debtors	18,512	16,286
VAT repayable	179,458	128,804
Prepayments and accrued income	68,744	170,933
	<u>4,850,854</u>	<u>4,958,454</u>

Amounts owed by group undertakings are either trade related and therefore unsecured, repayable on demand and non-interest bearing or financing in nature which bear a market rate of interest, with the exception of £1,386,365 (2020:£1,400,000) which is held on deposit by Shipton Mill Limited's parent undertaking on their behalf.

During the year, an impairment provision of £151,300 (2020:£190,295) was created against intragroup receivables.

## 15. Cash and cash equivalents

	26 March 2021 £	27 March 2020 £
Cash at bank and in hand	<u>585,164</u>	<u>1,304,397</u>

# Notes to the financial statements

For the financial period ended 26 March 2021

## 16. Creditors: Amounts falling due within one year

	26 March 2021 £	27 March 2020 £
Bank loans	160,000	160,000
Trade creditors	2,377,671	2,287,623
Amounts owed to group undertakings	79,532	226,566
Corporation tax	117,726	138,233
Other taxation and social security	45,160	52,252
Obligations under finance lease and hire purchase contracts	-	31,777
Other creditors	69,284	21,039
Accruals and deferred income	982,714	1,091,260
	<u>3,832,087</u>	<u>4,008,750</u>

Trade and other creditors are payable at various dates over the coming months in accordance with the suppliers' usual and customary credit terms.

Amounts owed to group undertakings are either trade related and therefore unsecured, repayable on demand and non-interest bearing or financing in nature which bear a market rate of interest.

Other taxation including social insurance is repayable at various dates in accordance with applicable statutory provisions.

The terms of the accruals are based on the underlying contracts.

## 17. Creditors: Amounts falling due after more than one year

	26 March 2021 £	27 March 2020 £
Bank loans	240,000	400,000
	<u>240,000</u>	<u>400,000</u>

# Notes to the financial statements

For the financial period ended 26 March 2021

## 18. Loans

Analysis of the maturity of loans is given below:

	26 March 2021 £	27 March 2020 £
<b>Amounts falling due within one year</b>		
Bank loans- < 1 year	160,000	160,000
	<u>160,000</u>	<u>160,000</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans- 2- 5 years	240,000	400,000
	<u>240,000</u>	<u>400,000</u>
<b>Total Bank Loans</b>	<u>400,000</u>	<u>560,000</u>

The bank loans are secured by way of a first legal charge over the Land and Buildings North Side of Bridge Road, Frampton on Severn; a first legal charge over Shipton Mill, Long Newton, Tetbury and its associated assets; and a debenture over the borrower's entire assets and undertaking.

## 19. Hire purchase leases

Minimum lease payments under hire purchase fall due as follows:

	26 March 2021 £	27 March 2020 £
Within one year	-	31,777
	<u>-</u>	<u>31,777</u>

Assets held under hire purchase leases are secured upon the asset to which they relate.

# Notes to the financial statements

For the financial period ended 26 March 2021

## 20. Deferred tax liability

	2021 £
At beginning of the period	(589,604)
Charged to profit or loss	(131,678)
<b>At end of the period</b>	<b>(721,282)</b>

The provision for deferred taxation is made up as follows:

	26 March 2021 £	27 March 2020 £
Fixed asset timing differences	(575,843)	(413,237)
Short term timing differences	48,791	17,863
Losses and other deductions	(194,230)	(194,230)
	<b>(721,282)</b>	<b>(589,604)</b>

## 21. Share capital

	26 March 2021 £	27 March 2020 £
<b>Allotted, called up and fully paid</b>		
1,000 (2020 - 1,000) Ordinary shares of £1.00 each	1,000	1,000

## 22. Reserves

### *Revaluation reserve*

Represents the cumulative difference between the fair value and the net book value of the company's freehold property.

### *Profit and loss account*

Represents all current and prior period retained profits and losses.

### *Called-up share capital*

Represents the nominal value of shares that have been issued.

### *Share premium account*

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.



# Notes to the financial statements

For the financial period ended 26 March 2021

## 23. Contingencies

Handelsbanken Bristol holds letters of guarantee in favour of HM Customs and Excise and the Rural Payments Agency to the value of £72,500 (2020: £72,500).

## 24. Capital commitments

At 26 March 2021, the company had capital commitments for assets under construction of £NIL (2020: £1,643,383).

## 25. Pension commitments

The company operates a defined contribution pension scheme for employees. During the period, the company contributed £46,273 (2020: £39,262) to the scheme. Amount outstanding at period end is £7,504 (2020: £6,882).

## 26. Commitments under operating leases - property

At 26 March 2021 the company had future minimum lease payments under property operating leases as follows:

	26 March 2021 £	27 March 2020 £
Not later than 1 year	217,651	217,651
Later than 1 year and not later than 5 years	745,864	801,304
Later than 5 years	1,061,029	1,223,240
	<u>2,024,544</u>	<u>2,242,195</u>

Assets held under property operating leases relate to leases held with group undertakings.

## 27. Other financial commitments

At 26 March 2021, the company had use of forward currency contracts in the normal course of business to hedge exchange risk on anticipated foreign currency payments. At the period end the company has committed to contracts, which are denominated in Euro and US dollar, to the value of £768,561 (2020: £1,540,034). A fair value loss on revaluation of £22,418 (2020: £14,157) at the balance sheet date is included within other creditors.

## Notes to the financial statements

**For the financial period ended 26 March 2021**

### **28. Related party transactions**

The company has availed of the exemption provided in FRS 102, Section 33, for group undertakings 100% of whose voting rights are controlled within the group headed by Coinstone Limited, from the requirement to give details of transactions with entities that are part of the group or investees of the group qualifying as related parties.

At 26 March 2021, included in the amounts owed by related party undertaking is an amount owing by Saviour Cafe Limited, an entity under common interest with the parent company, of £1,624 (2020: £1,449). The balance arose due to total sales and recharges of £2,438 (2020: £37,193) incurred during the period.

At 26 March 2021, included within other debtors is an amount owing by John Lister, director of the company, of £67 (2020: £374). Included in other income for the period is £2,700 (2020: £2,700) payable by John Lister in respect of rent.

### **29. Post balance sheet events**

Apart from the ongoing monitoring of the impact of Covid 19 as referred to in the Directors' report, there are no other post balance sheet events of note.

### **30. Parent undertaking and controlling parties**

The parent undertaking and immediate controlling party of the company is Coinstone Limited, a company incorporated in England and Wales, with a registered office as Shipton Mill, Long Newton, Tetbury, Gloucestershire, GL8 8RP, UK.

The smallest and largest group which the results of Shipton Mill Limited are consolidated is that headed by Coinstone Limited. The consolidated financial statements of Coinstone Limited are available to the public.

The ultimate controlling party is Shipton Mill Settlement Trust 2001.

### **31. Approval of financial statements**

The board of directors approved these financial statements for issue on 29 March 2022.