Group Strategic Report, Report of the Directors and

Consolidated Financial Statements

for the Period 3 November 2019 to 31 October 2020

for

J.B Shropshire & Sons Limited

J.B Shropshire & Sons Limited

Contents of the Consolidated Financial Statements
for the Period 3 November 2019 to 31 October 2020

J.B Shropshire & Sons Limited

Company Information
for the Period 3 November 2019 to 31 October 2020

DIRECTORS:	J B Shropshire D Thompson
SECRETARY:	D Thompson
REGISTERED OFFICE:	Hainey Farm Barway Ely Cambridgeshire CB7 5TZ
REGISTERED NUMBER:	03516726 (England and Wales)
AUDITORS:	Grant Thornton UK LLP Chartered Accountants & Statutory Auditors Victoria House 199 Avebury Boulevard Milton Keynes Buckinghamshire MK9 1AU
BANKERS:	The Royal Bank of Scotland PLC 62/63 Threadneedle Street PO Box London EC2R 8LA

J.B Shropshire & Sons Limited

Group Strategic Report
for the Period 3 November 2019 to 31 October 2020

The directors present their strategic report of the company and the group for the period 3 November 2019 to 31 October 2020.

REVIEW OF BUSINESS
The financial statements have been prepared for the 52 week period ended 31 October 2020 (2019 - 52 week period ended 2 November 2019).

The directors are satisfied with the performance of the group and expect it to trade profitably in the future.

PRINCIPAL RISKS AND UNCERTAINTIES
The group operates in a challenging economic climate, in which inflationary pressure on costs must be balanced against the price expectations of our ultimate customers. The nature of the business, being the farming of fresh produce, means that the group is always faced with the uncertainties of the weather and its impact upon both supply of product and demand of ultimate customers.

The group uses various financial instruments, these include cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the group's operations.

The main risks arising from the group's financial instruments are interest rate risk, liquidity risk and credit risk.
The board reviews and agrees policies for managing each of these risks and they are summarised below.

Liquidity Risk
The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Credit Risk
The group's principal financial assets are cash and trade debtors. The principal credit risk lies with trade debtors. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

Currency Risk
The group is exposed to transaction foreign exchange risk. Transaction exposures, including those associated with forecast transactions are managed through the use of bank accounts held in foreign currencies.

SECTION 172(1) STATEMENT

Directors' Duties

The Directors of the Group, as with those of all UK companies must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be the most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;

- the interest of the company's employees;

- the need to foster the company's business relationships with suppliers, customers and others;

- the impact of the company's operations on the community and environment;

- the desirability of the company maintaining a reputation for high standards of business conduct; and

- the need to act fairly as between shareholders of the company

As part of their induction, a Director is briefed on their duties and they can access professional advice on these, either from the Company Secretary of, if they judge it necessary, from an independent adviser. It is important to recognise that in a large group such as J.B Shropshire & Sons Limited Group, the Directors fulfil their duties partly through a governance framework that delegates day-to-day decision-making to employees of the Group.

The following paragraphs summarise how the Directors' fulfil their duties:

Risk Management:
As we grow, our business and our risk environment continue to become more complex. It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks we face, and that we continue to evolve our approach to risk management.

People:
The Group is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, clients, investors, communities and society as a whole. People are at the heart our business. For our business to succeed we need to manage our people's performance and develop and bring through talent while ensuring we operate as efficiently as possible. We must also ensure we share common values that inform and guide our behaviour so we achieve our goals in the right way.

Business Relationships:
Our strategy prioritises organic growth, driven by increasing sales with existing clients and bring new clients into the Group. To do this, we need to develop and maintain strong client relationships. We value all of our suppliers and have long-term contracts with our key suppliers.

Community and Environment:
The Group's approach is to use our position our position of strength to create positive change for the people and communities with which we interact. We want to leverage our expertise and enable colleagues to support the communities around us.

Employee Involvement:
Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

FINANCIAL KEY PERFORMANCE INDICATORS
Turnover is a key measure of the group's performance. Sales for the period were £95.7m (2019: £76.5m).

Overall profitability is a key indicator of the group's performance. The profit for the financial period was £5.6m (2019: £3.9m).

Working capital management is seen as an important target for the business. At the period end, the net current asset level was £31.9m (2019: £23.5m).

OTHER KEY PERFORMANCE INDICATORS
Maintaining health and safety standards across the group is seen as a key issue by the directors. The group continues to invest in the health and welfare of its employees and customers.

Energy consumption and pollution controls are key measures. The group is committed to the continuing improvement of energy efficiency and reducing any pollution risk.

In addition to the above, other KPI's, both financial and non-financial, are used for management purposes.

ON BEHALF OF THE BOARD:

J B Shropshire - Director

Date: 28/07/21

Report of the Directors
for the Period 3 November 2019 to 31 October 2020

The directors present their report with the financial statements of the company and the group for the period 3 November 2019 to 31 October 2020.

PRINCIPAL ACTIVITY
The principal activity of the group in the period under review was that of farming.

DIVIDENDS
No dividends will be distributed for the period ended 31 October 2020 (2019: £Nil).

The profit for the period, after taxation and non-controlling interests, amounted to £6,440k (2019 - £3,248k).

There were no dividends declared of paid during the period (2019 - £Nil).

The group declared dividends of £100,000 to non-controlling interests during the period (2019 - £100,000).

FUTURE DEVELOPMENTS
There is currently no plan to materially alter the operations of the group and, as a result, we would expect to operate at the same levels going forward.

DIRECTORS
The directors shown below have held office during the whole of the period from 3 November 2019 to the date of this report.

J B Shropshire
D Thompson

GOING CONCERN
The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the potential impact on the company of the current global pandemic known as COVID-19. In the opinion of the directors there will be no material adverse effect on the company's ability to trade.

STREAMLINED ENERGY AND CARBON REPORTING
Greenhouse gas emissions, energy consumption and energy efficiency action

The following Streamlined Energy and Carbon Report (SECR) provides environmental impact information in accordance with the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013 and (Directors Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

We aim to ensure the environment is left in a better condition for future generations, this strategy underlines the importance of Environmental, Social and Governance (ESG) as well as sustainability in supporting the future growth and development of the business. We have made meaningful progress in the last financial year in understanding our environmental impact and developing mitigation measures.

Measure	For the 52 weeks ended 31st October 2020	Units
Energy consumption used to calculate emissions:	4923697.216	kWh
Emission from the combustion of gas	456.11	tCO2e
Emission from the combustion of fuel for transport purposes	476.1406	tCO2e
Emissions from business travel or employee owned vehicles where company is responsible for purchasing the fuel	10.6984	tCO2e
Emission from the combustion of fuel for production purposes	1,693.5570	tCO2e
Emissions from purchased electricity	180.9171	tCO2e
Total Gross tCO2e based on the above	**2,817.4182**	**tCO2e**

		Gross
		tCO2e/production
Intensity Ratio	0.000197	*tonne*

Exemption has been taken from presenting comparative figures under the first-year adoption rules.

Methodology

Where practicable, and for the majority of the calculation primary data has been sourced (e.g. meter readings, supplier invoices, employee expenses information), but in some cases where complete datasets are not available estimated or aggregated data has been used. While a reasonable attempt has been made to provide a complete view some exclusions have been made on the basis of materiality such as de minimis office and staff related expenses which could not be separately identified through our systems.

All Green House Gas (GHG) emissions have been converted using the Farm Carbon Toolkit based on the inputs from the primary data.

Emissions from business travel or employee owned vehicles where the company is responsible for purchasing the fuel was obtained from company records. This data covers all fuel used by company and personal vehicles.

Electricity emissions were calculated using energy consumption obtained from meter readings.

Energy Efficiency Actions

Energy efficiency has been a priority with investments in renewable power generation at main sites already in place. In addition, we have historically purchased renewable electricity for the balance of its power needs.

Energy efficiency continues to be improved with a phased replacement of lighting and conversion to LED and a review of the production cooling systems at our sites to identify and replace systems with options which support a reduction in GHG emissions.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group 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 the group and of the profit or loss of the group 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;
- state whether applicable 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

J.B Shropshire & Sons Limited

Report of the Directors
for the Period 3 November 2019 to 31 October 2020

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 group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS
The auditors, Grant Thornton UK LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
J B Shropshire - Director

Date: 28/07/21

Independent auditor's report to the members of J.B Shropshire & Sons Limited

Opinion

We have audited the financial statements of J.B Shropshire & Sons Limited (the 'parent company') and its subsidiaries (the 'group') for the period from 3 November 2019 to 31 October 2020, which comprise the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated and company balance sheets, the consolidated and company statements of changes in equity, the consolidated cash flow statement and 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 group's and of the parent company's affairs as at 31 October 2020 and of the group's profit for the period 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 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's and parent company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the group's and parent company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a group or company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the group's and parent company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the group's and parent company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6, 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 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, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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.

Report of the Independent Auditors to the Members of
J.B Shropshire & Sons Limited

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 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.

Grant Thornton UK LLP

Gareth Norris FCA (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Chartered Accountants & Statutory Auditors
Victoria House
199 Avebury Boulevard
Milton Keynes
Buckinghamshire
MK9 1AU

Date: 29 JULY 2021

J.B Shropshire & Sons Limited

Consolidated Income Statement
for the Period 3 November 2019 to 31 October 2020

	Notes	Period 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
TURNOVER	3	95,674	76,479
Cost of sales		85,985	69,463
GROSS PROFIT		9,689	7,016
Administrative expenses		7,318	5,286
		2,371	1,730
Other operating income		4,940	2,373
GROUP OPERATING PROFIT	5	7,311	4,103
Share of operating (loss)/profit in Associates		(45)	274
Interest receivable and similar income		690	696
		7,956	5,073
Interest payable and similar expenses	7	514	417
PROFIT BEFORE TAXATION		7,442	4,656
Tax on profit	8	1,865	752
PROFIT FOR THE FINANCIAL PERIOD		5,577	3,904
Profit attributable to:			
Owners of the parent		6,440	3,248
Non-controlling interests		(863)	656
		5,577	3,904

The notes form part of these financial statements

J.B Shropshire & Sons Limited

Consolidated Other Comprehensive Income
for the Period 3 November 2019 to 31 October 2020

	Notes	Period 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
PROFIT FOR THE PERIOD		5,577	3,904
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		5,577	3,904
Total comprehensive income attributable to:			
Owners of the parent		5,193	3,248
Non-controlling interests		384	656
		5,577	3,904

The notes form part of these financial statements

Consolidated Balance Sheet
31 October 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
FIXED ASSETS					
Intangible assets	10		227		13
Tangible assets	11		24,149		22,962
Investments	12				
Interest in associate			1,626		1,798
Other investments			-		3,808
			26,002		28,581
CURRENT ASSETS					
Stocks	13	6,387		5,612	
Debtors	14	30,247		27,948	
Cash at bank		23,539		11,952	
		60,173		45,512	
CREDITORS					
Amounts falling due within one year	15	28,242		21,966	
NET CURRENT ASSETS			31,931		23,546
TOTAL ASSETS LESS CURRENT LIABILITIES			57,933		52,127
CREDITORS					
Amounts falling due after more than one year	16		(9,587)		(9,283)
PROVISIONS FOR LIABILITIES	19		(895)		(869)
NET ASSETS			47,451		41,975
CAPITAL AND RESERVES					
Called up share capital	20		2,300		2,300
Retained earnings	21		42,130		35,690
SHAREHOLDERS' FUNDS			44,430		37,990
NON-CONTROLLING INTERESTS			3,021		3,985
TOTAL EQUITY			47,451		41,975

The financial statements were approved by the Board of Directors and authorised for issue on 28/7/2021 .... and were signed on its behalf by:

J B Shropshire - Director

J B Shropshire & Sons Limited (Registered number: 03516726)

Company Balance Sheet
31 October 2020

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
FIXED ASSETS					
Intangible assets	10		2		3
Tangible assets	11		-		-
Investments	12		3,657		7,466
			3,659		7,469
CURRENT ASSETS					
Debtors	14	28,316		29,920	
Cash at bank		17,023		5,322	
		45,339		35,242	
CREDITORS					
Amounts falling due within one year	15	13,670		9,138	
NET CURRENT ASSETS			31,669		26,104
TOTAL ASSETS LESS CURRENT LIABILITIES			35,328		33,573
CREDITORS					
Amounts falling due after more than one year	16		(9,400)		(9,269)
PROVISIONS FOR LIABILITIES	19		(811)		(811)
NET ASSETS			25,117		23,493
CAPITAL AND RESERVES					
Called up share capital	20		2,300		2,300
Retained earnings			22,817		21,193
SHAREHOLDERS' FUNDS			25,117		23,493
Company's profit for the financial year			1,624		965

The financial statements have been prepared 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 28/7/2021 and were signed on its behalf by:

J B Shropshire - Director

The notes form part of these financial statements

J.B Shropshire & Sons Limited

Consolidated Statement of Changes in Equity
for the Period 3 November 2019 to 31 October 2020

	Called up share capital £'000	Retained earnings £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
Balance at 4 November 2018	2,300	32,442	34,742	3,364	38,106
Changes in equity					
Removed on disposal	-	-	-	65	65
Dividends	-	-	-	(100)	(100)
Total comprehensive income	-	3,248	3,248	656	3,904
Balance at 2 November 2019	2,300	35,690	37,990	3,985	41,975
Prior year adjustment	-	-	-	(1,248)	(1,248)
As restated	2,300	35,690	37,990	2,737	40,727
Changes in equity					
Dividends	-	-	-	(100)	(100)
Total comprehensive income	-	6,440	6,440	384	6,824
Balance at 31 October 2020	2,300	42,130	44,430	3,021	47,451

Company Statement of Changes in Equity
for the Period 3 November 2019 to 31 October 2020

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 4 November 2018	2,300	20,228	22,528
Changes in equity			
Total comprehensive income	-	965	965
Balance at 2 November 2019	2,300	21,193	23,493
Changes in equity			
Total comprehensive income	-	1,624	1,624
Balance at 31 October 2020	2,300	22,817	25,117

The notes form part of these financial statements

Consolidated Cash Flow Statement
for the Period 3 November 2019 to 31 October 2020

	Notes	Period 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
Cash flows from operating activities			
Cash generated from operations	1	12,902	5,897
Tax paid		(1,129)	(1,022)
Net cash from operating activities		11,773	4,875
Cash flows from investing activities			
Purchase of intangible fixed assets		(250)	(3)
Purchase of tangible fixed assets		(4,096)	(2,343)
Purchase of fixed asset investments		-	(1,150)
Sale of tangible fixed assets		1,386	282
Sale of fixed asset investments		3,808	-
Acquisition of a subsidiary (net cash)		(1,115)	-
Interest received		690	696
Distributions received - associates		127	-
Net cash from investing activities		550	(2,518)
Cash flows from financing activities			
Loan repayments in year		(57)	(72)
Interest paid		(514)	(417)
Capital repayments of finance leases		(64)	(109)
Dividends paid to minority interest		(100)	(100)
Net cash from financing activities		(735)	(698)
Increase in cash and cash equivalents		11,588	1,659
Cash and cash equivalents at beginning of period	2	11,952	10,293
Cash and cash equivalents at end of period	2	23,539	11,952

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Period 3 November 2019 to 31 October 2020

1. RECONCILIATION OF PROFIT FOR THE FINANCIAL PERIOD TO CASH GENERATED FROM OPERATIONS

	Period 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
Profit for the financial period	5,577	3,904
Depreciation charges	2,752	2,327
Profit on disposal of fixed assets	(407)	(36)
Decrease/(increase) in biological assets	93	(306)
Associate operating losses/(profits)	45	(218)
Amortisation charges	40	9
Finance costs	514	417
Finance income	(690)	(696)
Taxation	1,865	752
	9,789	6,153
(Increase)/decrease in stocks	(868)	640
Increase in trade and other debtors	(2,191)	(6,528)
Increase in trade and other creditors	6,172	5,632
Cash generated from operations	12,902	5,897

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:

Period ended 31 October 2020

	31.10.20 £'000	3.11.19 £'000
Cash and cash equivalents	23,539	11,952

Period ended 2 November 2019

	2.11.19 £'000	4.11.18 £'000
Cash and cash equivalents	11,952	10,293

3. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 3.11.19	Cash flow	At 31.10.20
	£'000	£'000	£'000
Net cash			
Cash at bank	11,952	11,587	23,539
	11,952	11,587	23,539
Debt			
Finance leases	(78)	64	(14)
Debts falling due within 1 year	(4,826)	(85)	(4,911)
Debts falling due after 1 year	(9,269)	(131)	(9,400)
	(14,173)	(152)	(14,325)
Total	(2,221)	11,435	9,214

1. **STATUTORY INFORMATION**

J.B Shropshire & Sons 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 General Information page.

2. **ACCOUNTING POLICIES**

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

Basis of consolidation
The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 4 May 2014.

Associates and joint ventures
Any entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operational and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method, an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

continued...

2. **ACCOUNTING POLICIES - continued**

Critical accounting judgements and key sources of estimation uncertainty
Preparation of the financial statements requires the directors to make judgements, estimates and assumptions concerning the future. There are made based on all knowledgeable, available information and through consultation with professional advisers where necessary.

Fixed assets
Depreciation is charged with due consideration to the useful economic life and residual value of fixed assets and the continuing appropriateness of the applied policy is considered on an annual basis by the directors.

Stock provisions
Stocks are assessed for impairment at each reporting date based on the directors' best estimate of net realisable values with reference to quoted market or contract prices.

Biological assets
Biological assets are assessed for impairment at each reporting date based on the directors' best estimate of net realisable values with reference to quoted market or contract prices.

Going concern
The Directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the potential impact on the group of the current global pandemic known as COVID-19. In the opinion of the directors there will be no material adverse effect on the group's ability to trade. The directors believe the group is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

continued...

2. **ACCOUNTING POLICIES - continued**

Turnover

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

Sales of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:
- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group 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.

Rendering of services

Turnover from contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill.

Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or other legal rights. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

continued...

2. **ACCOUNTING POLICIES - continued**

Where the cost of the business combination exceeds the fair value of the group's interest in the assets, liabilities and contingent liabilities acquired, negative goodwill arises. The group, after consideration of the assets, liabilities and contingent liabilities acquired and the cost of the combination, recognises negative goodwill on the balance sheet and releases this to profit and loss, up to the fair value of non-monetary assets acquired, over the periods in which the non-monetary assets are recovered and any excess over the fair value of non-monetary assets in the income statement over the period expected to benefit.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives ranges as follows:

Tenancy	- Fully amortised
SFP entitlements	- 5 years straight line
Goodwill	- 5 years straight line
Negative goodwill	- Fully amortised

Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	- Land is not depreciated. Buildings 10 - 20 years straight line
Leasehold property improvements	- 10 - 25 years straight line
Plant and machinery	- 25% reducing balance and 3 - 10 years straight line
Assets in the course of 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 the Consolidated Statement of Comprehensive Income.

continued...

2. **ACCOUNTING POLICIES - continued**

Biological assets & general stocks

Biological assets

Biological assets are stated at the lower of cost and net realisable value. Costs include materials, direct labour and production overheads appropriate to production. Cost is calculated as the total inputs into the crop in the year less the cost of harvested produce.

Biological assets can be categorised as short or long term depending on the product lifecycle of the asset concerned and its output in the form of harvested crops for sale.

Short term biological assets are those crops which are planted, grown and harvested in less than 12 months, leaving no residual asset that can generate future revenue.

Net realisable value is based on the estimated selling price less all further costs to completion.

General 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 purchases on a first-in, first-out basis.

At each balance sheet 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 Group's Consolidated Statement of Comprehensive Income.

Financial instruments
The Group 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 non-puttable 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 the present value of 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially at the present value of future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Consolidated 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 the asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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.

continued...

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, 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.

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 period 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.

Single farm payments

Single Farm Payments are receivable on an annual basis. The annual payment only becomes receivable once the occupation period has been completed. Once the occupation period is completed, the income is recognised.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured at market value at each balance sheet date. Gains and loss on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historical cost less impairment.

Foreign currencies

Functional and presentational currency

The Group'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 date 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 the 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 the Consolidated Statement of Comprehensive Income 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 Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

continued...

2. **ACCOUNTING POLICIES - *continued***

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

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.

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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

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.

3. **TURNOVER**

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

All turnover arose within the United Kingdom.

4. **EMPLOYEES AND DIRECTORS**

	Period 3.11.19 to 31.10.20	Period 4.11.18 to 2.11.19
	£'000	£'000
Wages and salaries	17,538	14,507
Social security costs	1,508	1,196
Other pension costs	428	373
	19,474	16,076

continued...

4. **EMPLOYEES AND DIRECTORS - continued**

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

	Period 3.11.19 to 31.10.20	Period 4.11.18 to 2.11.19
Directors	2	2
Other	2,227	1,396
	2,229	1,398

	Period 3.11.19 to 31.10.20 £	Period 4.11.18 to 2.11.19 £
Directors' remuneration	187,089	183,956

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	1	1

The highest paid director received remuneration of £187,089 (2019: £183,956).

Company	Period 4.11.18 to 2.11.19 £'000	Period 5.11.17 to 3.11.18 £'000
Wages and salaries	648	627
Social security costs	55	61
Other pension costs	35	36
	738	724

5. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	Period 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
Depreciation - owned assets	2,719	2,260
Depreciation - assets on hire purchase contracts	33	67
Profit on disposal of fixed assets	(407)	(36)
Goodwill amortisation	34	-
SFP Entitlements amortisation	6	9
Foreign exchange differences	32	58
Operating lease rentals	2,695	2,330

continued...

6. AUDITORS' REMUNERATION

	Period 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	98	81
Other non- audit services	6	17

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
Bank interest	-	8
Loan interest	514	409
	514	417

8. TAXATION

Analysis of the tax charge
The tax charge on the profit for the period was as follows:

	Period 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
Current tax:		
UK corporation tax	1,522	624
Prior period adjustment	273	47
Overseas tax	57	8
Total current tax	1,852	679
Deferred tax	13	73
Tax on profit	1,865	752

UK corporation tax has been charged at 19% (2019 - 19%).

continued...

8. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	Period 3.11.19 to 31.10.20 £'000	Period 4.11.18 to 2.11.19 £'000
Profit before tax	7,443	4,656
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,414	885
Effects of:		
Expenses not deductible for tax purposes	89	156
Income not taxable for tax purposes	(86)	(1)
Depreciation in excess of capital allowances	29	2
Adjustments to tax charge in respect of previous periods	273	(113)
Effects of change in tax rates	-	69
Other tax changes	5	5
Impact of overseas tax rates	153	(251)
Pre-trading expenditure	(3)	-
Change in unrecognised deferred taxes	(10)	-
Total tax charge	1,864	752

9. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

continued...

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill £'000	SFP Entitlements £'000	Tenancy £'000	Negative goodwill £'000	Totals £'000
COST					
At 3 November 2019	1,278	37	1,250	(72)	2,493
Additions	250	-	-	-	250
Acquisitions	4	-	-	-	4
At 31 October 2020	1,532	37	1,250	(72)	2,747
AMORTISATION					
At 3 November 2019	1,278	24	1,250	(72)	2,480
Amortisation for period	34	6	-	-	40
At 31 October 2020	1,312	30	1,250	(72)	2,520
NET BOOK VALUE					
At 31 October 2020	220	7	-	-	227
At 2 November 2019	-	13	-	-	13

Company

	SFP Entitlements £'000	Tenancy £'000	Totals £'000
COST			
At 3 November 2019 and 31 October 2020	13	1,250	1,263
AMORTISATION			
At 3 November 2019	10	1,250	1,260
Amortisation for period	1	-	1
At 31 October 2020	11	1,250	1,261
NET BOOK VALUE			
At 31 October 2020	2	-	2
At 2 November 2019	3	-	3

continued...

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £'000	Leasehold property improvements £'000	Plant and machinery £'000	Assets in the course of construction £'000	Total £'000
COST OR VALUATION					
At 3 November 2019	20,072	2,614	22,845	870	46,401
Additions	1,361	13	2,722	-	4,096
Acquisitions	772	-	53	-	825
Disposals	-	-	(714)	(870)	(1,584)
Reanalysis	-	(39)	39	-	-
At 31 October 2020	22,205	2,588	24,945	-	49,738
DEPRECIATION					
At 3 November 2019	5,879	1,575	15,985	-	23,439
Charge for the period on owned assets	745	155	1,819	-	2,719
Charge for the period on financed assets	-	-	33	-	33
Disposals	-	-	(602)	-	(602)
At 31 October 2020	6,624	1,730	17,235	-	25,589
NET BOOK VALUE					
At 31 October 2020	15,581	858	7,710	-	24,149
At 2 November 2019	14,193	1,039	6,860	870	22,962

Included within freehold property is land at cost of £6,941,900 (2019: £6,941,900) which is not depreciated.

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

	31 October 2020 £'000	2 November 2019 £'000
Plant and machinery	99	260

continued...

11. TANGIBLE FIXED ASSETS - continued

Company

	Improvements to property £'000	Plant and machinery £'000	Totals £'000
COST			
At 3 November 2019 and 31 October 2020	632	15	647
DEPRECIATION			
At 3 November 2019 and 31 October 2020	632	15	647
NET BOOK VALUE			
At 31 October 2020	-	-	-
At 2 November 2019	-	-	-

12. FIXED ASSET INVESTMENTS

Group

	Interest in associate £'000	Unlisted investments £'000	Totals £'000
COST			
At 3 November 2019	1,798	4,133	5,931
Disposals	-	(4,133)	(4,133)
Share of profit/(loss)	(45)	-	(45)
Dividends received	(127)	-	(127)
At 31 October 2020	1,626	-	1,626
PROVISIONS			
At 3 November 2019	-	325	325
Reversal of impairments	-	(325)	(325)
At 31 October 2020	-	-	-
NET BOOK VALUE			
At 31 October 2020	1,626	-	1,626
At 2 November 2019	1,798	3,808	5,606

continued...

12. **FIXED ASSET INVESTMENTS - continued**

Company

	Shares in group undertakings £'000	Interest in associate £'000	Other investments £'000	Totals £'000
COST				
At 3 November 2019	2,071	1,587	4,133	7,791
Disposals	(1)	-	(4,133)	(4,134)
At 31 October 2020	2,070	1,587	-	3,657
PROVISIONS				
At 3 November 2019	-	-	325	325
Reversal of impairments	-	-	(325)	(325)
At 31 October 2020	-	-	-	-
NET BOOK VALUE				
At 31 October 2020	2,070	1,587	-	3,657
At 2 November 2019	2,071	1,587	3,808	7,466

continued...

12. **FIXED ASSET INVESTMENTS - continued**

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of Shares	Holding	Principal activity
Sandfields Farms Ltd	Ordinary	80%	Farming
Cambs Farms Growers Ltd	Ordinary	100%	Farming
Riverfen Farms Ltd	Ordinary	100%	Farming
Highfield Barn Ltd	Ordinary	100%	Farming
West Africa Farms Holdings Ltd	Ordinary (indirect)	80%	Holding company
West Africa Farms Sarl	Ordinary (indirect)	80%	Farming
Fenlander Ltd	Ordinary	100%	Dormant
Cotswold Compost Ltd	Ordinary	100%	Not trading
CJ Prop Ltd	Ordinary	100%	Farming
GW Prop Ltd	Ordinary	100%	Farming
HJ Prop Ltd	Ordinary	100%	Farming
GSS Farming Limited	Ordinary	100%	Farming

The registered office address of all subsidiary undertakings other than West Africa Farms SARL is the same as that of the parent company.

West Africa Farms SARL is registered at Louga, Yamane Comuntute Rurale Nguith, Senegal.

As detailed in 'Note 25', the Group acquired control of GSS Farming Limited during the period through the purchase of 100% of the subsidiary's share capital.

Participating interests

Associates

Name	Class of Shares	Holding	Principal activity
Littleport Mushrooms Farms LLP	Designated Member	35.35%	Mushroom farming
Fiddleford Holdings Limited	Ordinary	49%	Holding company
Fiddleford Mushrooms Limited	Ordinary (indirect)	49%	Mushroom farming

At 31 October 2020, the aggregate of capital and reserves of Littleport Mushrooms Farms LLP was £1,670,696 and the profit for the period then ended was £87,076.

At 31 October 2020, the aggregate of share capital and reserves of Fiddleford Holdings Limited was £497,925 and the loss for the period then ended was £62,311.

At 31 October 2020, the aggregate of share capital and reserves of Fiddleford Mushrooms Limited was a deficit of £600,496 with no profit or loss for the period.

The result of one of the associated undertakings has been excluded from the consolidated accounts on the basis that it is immaterial to the group.

continued...

13. STOCKS

	Group	
	2020	2019
	£'000	£'000
Raw materials	1,635	1,509
Biological assets	1,887	1,981
Finished goods	2,865	2,122
	6,387	5,612

Biological assets

	31 October 2020	2 November 2019
Cost	£	£
At 4 November 2019	1,981	1,675
Decreases resulting from harvest	54,600	37,833
Decreases resulting from harvest	(54,694)	(37,527)
At 31 October 2020	1,887	1,981

14. DEBTORS

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	19,719	13,064	3,957	2,961
Amounts owed by group undertakings	-	-	8,547	8,337
Other debtors	4,399	7,500	1,221	3,042
Tax	40	2	-	-
VAT	-	539	-	12
Prepayments and accrued income	1,918	1,016	1,894	998
	26,076	22,121	15,619	15,350
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	8,295	8,743
Other debtors	4,171	5,827	4,402	5,827
	4,171	5,827	12,697	14,570
Aggregate amounts	30,247	27,948	28,316	29,920

continued...

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 17)	72	70	72	70
Other loans (see note 17)	4,839	4,756	4,839	4,756
Hire purchase contracts (see note 18)	7	64	-	-
Trade creditors	13,309	7,435	5,106	1,527
Tax	958	235	394	92
Social security and other taxes	518	377	20	17
VAT	1,077	-	1,170	-
Other creditors	2,113	4,075	824	778
Deferred consideration	45	-	-	-
Accrued expenses	5,304	4,954	1,245	1,898
	28,242	21,966	13,670	9,138

All hire purchase obligations are secured against the assets to which they relate.

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

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Bank loans (see note 17)	2,689	2,748	2,689	2,748
Other loans (see note 17)	6,711	6,521	6,711	6,521
Hire purchase contracts (see note 18)	7	14	-	-
Deferred consideration	180	-	-	-
	9,587	9,283	9,400	9,269

All hire purchase obligations are secured against the assets to which they relate.

continued...

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Amounts falling due within one year or on demand:				
Bank loans	72	70	72	70
Other loans	4,839	4,756	4,839	4,756
	4,911	4,826	4,911	4,826
Amounts falling due between one and two years:				
Bank loans - 1-2 years	74	72	74	72
Other loans - 1-2 years	6,711	6,521	6,711	6,521
	6,785	6,593	6,785	6,593
Amounts falling due between two and five years:				
Bank loans - 2-5 years	235	229	235	229
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	2,380	2,447	2,380	2,447

The company has the following loans:

A loan of £2,761k (2019: £2,818k) which is repayable in instalments until 2046. Interest is charged at 2.91% per annum. The facility is secured by a fixed charge over certain property held in the group.

The company has unsecured loans with related parties of £11,550k (2019: £11,277k). These loans incur interest at a rate between 0% and 5%.

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2020	2019
	£'000	£'000
Net obligations repayable:		
Within one year	7	64
Between one and five years	7	14
	14	78

continued...

19. PROVISIONS FOR LIABILITIES

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Deferred tax	280	254	196	196
Other provisions				
Dilapidations	615	615	615	615
Aggregate amounts	895	869	811	811

Group

	Deferred tax
	£'000
Balance at 3 November 2019	254
Provided during period	13
Business combinations	13
Balance at 31 October 2020	280

Company

	Deferred tax	Other provisions
	£'000	£'000
Balance at 3 November 2019	196	615
Balance at 31 October 2020	196	615

	Group 31 October 2020	Group 2 November 2019	Company 31 October 2020	Company 2 November 2019
	£'000	£'000	£'000	£'000
Accelerated capital allowances	(98)	(62)	(196)	(175)
Other timing differences	(182)	(192)	-	(21)
	(280)	(254)	(196)	(196)

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £'000	2019 £'000
150,000	Ordinary A	£1	150	150
50,000	Ordinary B	£1	50	50
50,000	Ordinary C	£1	50	50
50,000	Ordinary D	£1	50	50
2,000,000	Redeemable preference	£1	2,000	2,000
			2,300	2,300

continued...

20. CALLED UP SHARE CAPITAL - continued

The ordinary share carry full voting rights.

The preference shares attract a fixed cumulative dividend of 3.7% per annum and are redeemable at the discretion of the company.

21. RESERVES

Group

	Retained earnings £'000
At 3 November 2019	35,690
Profit for the period	6,440
At 31 October 2020	42,130

Profit and loss account

Includes all current and prior period retained profits and losses.

22. PENSION COMMITMENTS

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £428k (2019: £373k). Contributions totalling £175k (2019: £71k) were payable to the fund at the reporting date.

23. RELATED PARTY DISCLOSURES

The group had related party transactions as follows during the period:

Entities over which the entity had control, joint control or significant influence

	31 October 2020 £	2 November 2019 £
Sales and recharges	35,431	33,450
Purchases	8,959	11,464
Debtors	18,010	17,361
Creditors	8,056	3,564

During the period, a total of key management personnel compensation of £918k (2019 - £642k) was paid.

24. ULTIMATE CONTROLLING PARTY

The controlling party is J B Shropshire by virtue of his majority shareholding.

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25. BUSINESS COMBINATIONS AND GOODWILL

Group
On 24 February 2020, the Group acquired control of GSS Farming Limited through the purchase of 100% of the share capital for total consideration of £1170k.

As the fair value of the group's interest in the assets, liabilities and contingent liabilities acquired exceeded the total costs of business combination, goodwill arose on combination totalling £4k.

The following table summarises the consideration paid by the group and the fair value of assets acquired and liabilities assumed at the acquisition date.

Consideration at 24 February 2020

	£'000
Cash	1,170
	1,170

For cash flow disclosure purposes the amounts are disclosed as follows:

	£'000
Cash consideration	1,170
Cash and cash equivalents acquired	(55)
Net cash outflow	1,115

Recognised amounts of identifiable assets acquired and liabilities assumed

	Note	Book values £'000	Adjustments £'000	Fair value £'000
Tangible fixed assets	1 & 2	826	-	826
Cash and cash equivalents		54	-	54
Trade and other receivables		649	-	649
Trade and other payables	3	-350	-	-350
Deferred tax		-13	-	-13
Total identifiable net assets		1,166	-	1,166
Goodwill				4
Total consideration				1,170

Note 1 - Included within tangible assets is agricultural land. At acquisition, call options existed over the land allowing the option holder to acquire the land for the original purchase price. As this value is significantly less than the open market value for the land, it is assumed that the option holder was likely to exercise their options if the land was placed on the market. The fair value of the land held by the company is therefore £772k.

Note 2 - The remaining tangible assets of the company are comprised of agricultural machinery and are held in the company's books at their open market value.

Note 3 - As the company made an overall period-to-date loss for tax purposes at the date of acquisition, no interim corporation tax adjustment has been made in respect of pre-acquisition results.

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On 27 February 2020, Sandfields Farms Limited, a subsidiary of the group, acquired trade and assets of a farm for a total consideration of £938,710, including deferred consideration of £225,000 payable over a five year period with the last instalment payable in November 2024. The amount has not been discounted, as the effect of discounting is not material.

Goodwill of £250,000 arising from the acquisition relates to the difference between the fair value of assets acquired and the consideration paid. Management have estimated the useful life of the goodwill to be 5 years.

The following table summarises the consideration paid by Sandfields Farms Limited, the fair value of assets acquired

Assets Acquired	**Fair Value (£)**
Property, plant and equipment	472,275
Stocks	201,885
Other debtors	14,550
Total identifiable net assets	**688,710**
Goodwill	250,000
Total consideration	**938,710**