

Company registration number 03958035 (England and Wales)

# **WADSWICK COUNTRY STORE LTD**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

# **OLD M<sup>®</sup>LL**



# WADSWICK COUNTRY STORE LTD

## COMPANY INFORMATION

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<b>Directors</b>	Mr T Barton Mrs C Barton Mr A Barton Mrs J Boyd
<b>Secretary</b>	Mrs C Barton
<b>Company number</b>	03958035
<b>Registered office</b>	Unit 2 Greenways Business Park Bellinger Close CHIPPENHAM Wiltshire SN15 1BN
<b>Auditor</b>	Old Mill Audit Limited Unit 2 Greenways Business Park Bellinger Close CHIPPENHAM Wiltshire England SN15 1BN

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# **WADSWICK COUNTRY STORE LTD**

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# WADSWICK COUNTRY STORE LTD

## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present the strategic report for the year ended 31 March 2022.

### Fair review of the business

Wadswick Country Store Limited had a positive 2022 the company was able to achieve a profit before tax of £913,755 (2021: £739,033). Turnover has increased by £1,856,453 (25.5%) compared to the previous year. Gross margin decreased to 35.68% (2021: 37.73%). Shareholders funds of £5,153,671 (2021: £4,733,466) have been retained at the year end.

### Principal risks and uncertainties

The principal business risks faced by the company are market competition and customer payments.

The company manages these risks by continuous improvement in staff training and investment in technology to drive greater efficiency within the business. Customer payments are managed by closely monitoring payment terms and by working closely with customers to manage any potential payment issues.

The company has been able to continue to trade profitably through the COVID pandemic due to adherence to strict health and safety protocols promoting the health and wellbeing of staff and stability in the market sectors supplied.

The company has increased focus on cost management ensuring that purchasing decisions are made carefully to deliver value to customers.

### Development and performance

The directors are determined to continue with the progress made in 2022; cost controls and significant investment during the year will assist to improve efficiencies and ensure a continuation of the company's profitability.

### Key performance indicators

The directors monitor the performance of the company by preparing annual budgets in advance and using a number of financial key performance indicators, including:

- Turnover
- Gross profit margin
- Stock turnover days

By order of the board



Mrs C Barton  
Secretary

Date: 20/12/2022

# WADSWICK COUNTRY STORE LTD

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

### Principal activities

The principal activity of the company continued to be that of a Country Store.

### Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £218,000. The directors do not recommend payment of a final dividend.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr T Barton  
Mrs C Barton  
Mr A Barton  
Mrs J Boyd

### Auditor

Old Mill Audit Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board



Mrs C Barton  
Secretary

Date: 10/12/2022

**WADSWICK COUNTRY STORE LTD**  
**DIRECTORS' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# WADSWICK COUNTRY STORE LTD

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF WADSWICK COUNTRY STORE LTD

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#### Qualified opinion on financial statements.

We have audited the financial statements of Wadswick Country Store Ltd (the 'company') for the year ended 31 March 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for qualified opinion

We were not appointed as auditor of the company until after 31 March 2021 and thus did not observe the counting of physical stock at the end of the previous year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31 March 2021, which are included in the balance sheet at £1,794,205 by using other audit procedures. Consequently, we were unable to determine whether any adjustment to this amount was necessary.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **WADSWICK COUNTRY STORE LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF WADSWICK COUNTRY STORE LTD**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our 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.

#### **Matters on which we are required to report by exception**

In respect solely of the limitation on our work relating to stock, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **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.

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.



# WADSWICK COUNTRY STORE LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF WADSWICK COUNTRY STORE LTD

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, UK Firearms Licensing, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Other matters which we are required to address

This is the first year in which Wadswick Country Store Ltd has required an audit and therefore, it should be noted that the prior year figures included in the accounts are unaudited.

#### 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.

Old Mill Audit Limited

Philip Mills MSc BA ACA  
Senior Statutory Auditor  
For and on behalf of Old Mill Audit Limited  
Statutory Auditor

Date: 20 December 2022

Unit 2  
Greenways Business Park  
Bellinger Close  
CHIPPENHAM  
Wiltshire  
England  
SN15 1BN

# WADSWICK COUNTRY STORE LTD

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Notes	£	Unaudited £
Turnover	3	9,128,448	7,271,995
Cost of sales		(5,871,677)	(4,528,221)
Gross profit		3,256,771	2,743,774
Administrative expenses		(2,356,318)	(2,140,721)
Other operating income		55,817	187,549
Operating profit	5	956,270	790,602
Interest receivable and similar income	8	116	520
Interest payable and similar expenses	9	(42,631)	(52,089)
Profit before taxation		913,755	739,033
Tax on profit	10	(276,550)	(177,119)
Profit for the financial year		637,205	561,914

The profit and loss account has been prepared on the basis that all operations are continuing operations.

**WADSWICK COUNTRY STORE LTD**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2022**


	2022	2021
	£	Unaudited £
Profit for the year	637,205	561,914
Other comprehensive income	-	-
Total comprehensive income for the year	<u>637,205</u>	<u>561,914</u>


# WADSWICK COUNTRY STORE LTD

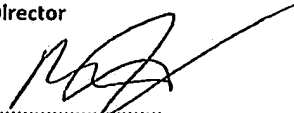
## BALANCE SHEET AS AT 31 MARCH 2022

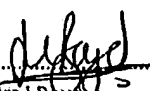
		2022		2021 Unaudited	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		5,391,757		5,285,421
<b>Current assets</b>					
Stocks	13	2,374,677		1,794,205	
Debtors	14	717,187		412,319	
Cash at bank and in hand		817,927		1,200,140	
		<u>3,909,791</u>		<u>3,406,664</u>	
Creditors: amounts falling due within one year	15	(1,884,659)		(1,606,915)	
<b>Net current assets</b>			<u>2,025,132</u>		<u>1,799,749</u>
<b>Total assets less current liabilities</b>			<u>7,416,889</u>		<u>7,085,170</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(1,827,845)		(2,020,473)
<b>Provisions for liabilities</b>					
Deferred tax liability	18	435,373		330,231	
		<u>(435,373)</u>		<u>(330,231)</u>	
<b>Net assets</b>			<u><u>5,153,671</u></u>		<u><u>4,734,466</u></u>
<b>Capital and reserves</b>					
Called up share capital	20		1,000		1,000
Profit and loss reserves			<u>5,152,671</u>		<u>4,733,466</u>
<b>Total equity</b>			<u><u>5,153,671</u></u>		<u><u>4,734,466</u></u>

The financial statements were approved by the board of directors and authorised for issue on 20/12/22 and are signed on its behalf by:

  
.....  
Mr T Barton  
Director

  
.....  
Mrs C Barton  
Director

  
.....  
Mr A Barton  
Director

  
.....  
Mrs J Boyd  
Director

Company Registration No. 03958035

# WADSWICK COUNTRY STORE LTD

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 April 2020		1,000	4,273,552	4,274,552
Year ended 31 March 2021:				
Profit and total comprehensive income for the year		-	561,914	561,914
Dividends	11	-	(102,000)	(102,000)
Balance at 31 March 2021 Unaudited		1,000	4,733,466	4,734,466
Year ended 31 March 2022:				
Profit and total comprehensive income for the year		-	637,205	637,205
Dividends	11	-	(218,000)	(218,000)
Balance at 31 March 2022		1,000	5,152,671	5,153,671

# WADSWICK COUNTRY STORE LTD

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
			Unaudited
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	24	651,518	1,193,629
Interest paid		(42,631)	(52,089)
Income taxes paid		(111,180)	(81,464)
<b>Net cash inflow from operating activities</b>		<b>497,707</b>	<b>1,060,076</b>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(478,886)	(365,163)
Proceeds from disposal of tangible fixed assets		499	20,124
Interest received		116	520
<b>Net cash used in investing activities</b>		<b>(478,271)</b>	<b>(344,519)</b>
<b>Financing activities</b>			
Repayment of bank loans		(183,649)	(673,807)
Dividends paid		(218,000)	(102,000)
<b>Net cash used in financing activities</b>		<b>(401,649)</b>	<b>(775,807)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(382,213)</b>	<b>(60,250)</b>
Cash and cash equivalents at beginning of year		1,200,140	1,260,390
<b>Cash and cash equivalents at end of year</b>		<b>817,927</b>	<b>1,200,140</b>

# WADSWICK COUNTRY STORE LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

#### Company information

Wadswick Country Store Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Unit 2, Greenways Business Park, Bellinger Close, CHIPPENHAM, Wiltshire, SN15 1BN. The trading address is Manor Farm, Wadswick, Corsham, Wiltshire, SN13 8JB.

#### 1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

These financial statements have been prepared on the going concern basis. The company has been impacted by the Covid-19 pandemic and resultant UK lockdown. The company has continued to create additional income streams and whilst working to keep costs down. Overall, the directors have reviewed likely future developments and remain of the opinion that the company will not have to cease trading as a result of inadequate financial resources, or any other foreseeable event, within a period of at least 12 months from the date of the approval of these accounts.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvement	50 years straight line
Plant and machinery	20% reducing balance / 25 years straight line
Fixtures, fittings & equipment	25 years straight line
Computer equipment	25% reducing balance
Motor vehicles	25% reducing balance

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

# WADSWICK COUNTRY STORE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.



# WADSWICK COUNTRY STORE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### *Other financial assets*

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### *Impairment of financial assets*

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

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

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# WADSWICK COUNTRY STORE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### *Basic financial liabilities*

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### *Other financial liabilities*

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

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

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# WADSWICK COUNTRY STORE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.11 Employee benefits

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

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.13 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### 1.14 Government grants

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

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

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# WADSWICK COUNTRY STORE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 2 Judgements and key sources of estimation uncertainty

(Continued)

##### Key sources of estimation uncertainty

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

##### Estimated useful life of fixed assets

In determining the estimated useful life the company considers the expected usage (capacity or physical output) of the asset, expected physical wear and tear of the asset and expected technical advancements in the industry that could lead to obsolescence of the asset. Each year the company reviews the above to establish if there is any change in expected useful life of tangible assets.

##### Stock

##### Stock Valuation

Stock value is estimated based on the lower of cost and estimated selling price less costs to complete and sell. At 31 March 2022, the stock value totaled £2,374,677 (2021 - £1,794,205).

##### Stock Provision

Where estimated selling price less costs to complete and sell is lower than cost, a stock provision will be recorded. The estimated selling price is determined with reference to market values. At 31 March 2022, the stock provision totaled £791,559 (2021 - £598,068).

#### 3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Sale of goods	7,845,148	6,216,306
Renewable income	582,452	591,295
Forage cafe	700,848	464,394
	<u>9,128,448</u>	<u>7,271,995</u>
	2022	2021
	£	£
Other revenue		
Interest income	116	520
Grants received	<u>48,337</u>	<u>179,449</u>

#### 4 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	<u>15,000</u>	<u>-</u>

# WADSWICK COUNTRY STORE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 5 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(48,337)	(179,449)
Depreciation of owned tangible fixed assets	361,723	315,785
Loss on disposal of tangible fixed assets	10,328	2,517

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Directors	4	4
Administration & Shop staff	63	54
Total	67	58

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	1,290,687	1,106,348
Social security costs	74,592	39,970
Pension costs	255,056	168,494
	1,620,335	1,314,812

### 7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	20,800	18,050
Company pension contributions to defined contribution schemes	240,000	160,000
	260,800	178,050

### 8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	116	520

# WADSWICK COUNTRY STORE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

		(Continued)	
8	Interest receivable and similar income		
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	116	520
		<u>          </u>	<u>          </u>
9	Interest payable and similar expenses		
		2022	2021
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	42,631	52,089
		<u>          </u>	<u>          </u>
10	Taxation		
		2022	2021
		£	£
	Current tax		
	UK corporation tax on profits for the current period	171,408	111,181
		<u>          </u>	<u>          </u>
	Deferred tax		
	Origination and reversal of timing differences	105,142	65,938
		<u>          </u>	<u>          </u>
	Total tax charge	276,550	177,119
		<u>          </u>	<u>          </u>
The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:			
		2022	2021
		£	£
	Profit before taxation	913,755	739,033
		<u>          </u>	<u>          </u>
	Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	173,613	140,416
	Tax effect of expenses that are not deductible in determining taxable profit	1,582	927
	Depreciation on assets not qualifying for tax allowances	5,194	4,683
	Adjustments in respect of financial assets	(8,129)	-
	Deferred tax adjustments in respect of prior years	104,488	31,093
	Structures and buildings allowance	(198)	-
		<u>          </u>	<u>          </u>
	Taxation charge for the year	276,550	177,119
		<u>          </u>	<u>          </u>

# WADSWICK COUNTRY STORE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 11 Dividends

	2022 £	2021 £
Interim paid	218,000	102,000

### 12 Tangible fixed assets

	Leasehold improvement £	Plant and machinery £	Fixtures, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 April 2021	1,369,174	5,523,245	342,060	52,803	112,935	7,400,217
Additions	279,338	110,345	17,844	6,514	64,845	478,886
Disposals	-	(31,139)	-	(15,099)	(13,800)	(60,038)
At 31 March 2022	1,648,512	5,602,451	359,904	44,218	163,980	7,819,065
<b>Depreciation and impairment</b>						
At 1 April 2021	50,596	1,752,597	202,947	24,060	84,596	2,114,796
Depreciation charged in the year	29,396	298,226	9,848	7,234	17,019	361,723
Eliminated in respect of disposals	-	(28,893)	-	(11,331)	(8,987)	(49,211)
At 31 March 2022	79,992	2,021,930	212,795	19,963	92,628	2,427,308
<b>Carrying amount</b>						
At 31 March 2022	1,568,520	3,580,521	147,109	24,255	71,352	5,391,757
At 31 March 2021	1,318,578	3,770,648	139,113	28,743	28,339	5,285,421

### 13 Stocks

	2022 £	2021 £
Raw materials and consumables	2,374,677	1,794,205

### 14 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	285,320	375,556
Other debtors	422,139	26,399
Prepayments and accrued income	9,728	10,364
	717,187	412,319

# WADSWICK COUNTRY STORE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 15 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	17	185,250	176,271
Trade creditors		827,501	481,055
Corporation tax		171,409	111,181
Other taxation and social security		42,423	13,173
Other creditors		636,549	808,245
Accruals and deferred income		21,527	16,990
		<u>1,884,659</u>	<u>1,606,915</u>

The bank loan of £185,250 (2021 - £176,271) is secured on land owned by the directors.

### 16 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	17	<u>1,827,845</u>	<u>2,020,473</u>

The bank loan of £1,827,845 (2021 - £2,020,473) is secured on land owned by the directors.

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>910,844</u>	<u>1,272,801</u>
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### 17 Loans and overdrafts

	2022 £	2021 £
Bank loans	<u>2,013,095</u>	<u>2,196,744</u>
Payable within one year	185,250	176,271
Payable after one year	<u>1,827,845</u>	<u>2,020,473</u>

The long-term loans are secured by fixed charges over the land and property of the company.



# WADSWICK COUNTRY STORE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
<b>Balances:</b>		
Accelerated capital allowances	435,373	330,231
<b>Movements in the year:</b>		2022 £
Liability at 1 April 2021		330,231
Charge to profit or loss		105,142
Liability at 31 March 2022		435,373

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 19 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	255,056	168,494

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

### 20 Share capital

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary A shares of £1 each	375	375	375	375
Ordinary B shares of £1 each	375	375	375	375
Ordinary C shares of £1 each	75	75	75	75
Ordinary D shares of £1 each	75	75	75	75
Ordinary E shares of £1 each	50	50	50	50
Ordinary F shares of £1 each	50	50	50	50
	1,000	1,000	1,000	1,000

# WADSWICK COUNTRY STORE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 21 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Purchases 2022 £	Purchases 2021 £
Other related parties	41,500	33,025

	Rent expense 2022 £	2021 £	Hire charge received 2022 £	2021 £
Other related parties	18,000	18,000	15,000	15,000

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
Amounts due to related parties		
Key management personnel	411,909	566,468
Other related parties	108,508	158,777

During the year £119,078 was advanced to the company and £273,637 was subsequently repaid.

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
Amounts due from related parties		
Other related parties	350,000	-

### 22 Directors' transactions

Advances or credits have been granted by the company to its directors as follows:

Dividends totalling £168,000 (2021 - £52,000) were paid in the year in respect of shares held by the company's directors.

### 23 Prior year unaudited accounts

In the previous accounting period the directors of the company took advantage of the audit exemption under s477 of the Companies Act 2006. Therefore the prior period financial statements were not subject to audit.

# WADSWICK COUNTRY STORE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 24 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	637,205	561,915
Adjustments for:		
Taxation charged	276,550	177,119
Finance costs	42,631	52,089
Investment income	(116)	(521)
Loss on disposal of tangible fixed assets	10,328	2,517
Depreciation and impairment of tangible fixed assets	361,723	315,785
Movements in working capital:		
(Increase)/decrease in stocks	(580,472)	76,260
Increase in debtors	(304,868)	(42,280)
Increase in creditors	208,537	50,745
Cash generated from operations	651,518	1,193,629

### 25 Analysis of changes in net debt

	1 April 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	1,200,140	(382,213)	817,927
Borrowings excluding overdrafts	(2,196,744)	183,649	(2,013,095)
	(996,604)	(198,564)	(1,195,168)