

Strategic Report, Report of the Directors and
Financial Statements for the Period 7 November 2021 to 5 November 2022
for
Sandfields Farms Limited



Sandfields Farms Limited

Company Information
for the Period 7 November 2021 to 5 November 2022

DIRECTORS:

W D Wilkinson
D Thompson
J B Shropshire

SECRETARY:

D Thompson

REGISTERED OFFICE:

Hainey Farm
Barway
Ely
Cambridgeshire
CB7 5TZ

REGISTERED NUMBER:

06319343 (England and Wales)

AUDITORS:

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditors
101 Cambridge Science Park
Milton Road
Cambridge
Cambridgeshire
CB4 0FY

Sandfields Farms Limited

Strategic Report
for the Period 7 November 2021 to 5 November 2022

The directors present their strategic report for the period 7 November 2021 to 5 November 2022.

REVIEW OF BUSINESS

The company made an operating profit of £2.3m (2021: £2.8m) and pre-tax profits of £2.1m (2021: £2.7m) for the period. At the period end the company had net assets of £18.3m (2021: £16.9m).

The reported results of the company are for 52 weeks (2021: 53 weeks).

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

PRINCIPAL RISKS AND UNCERTAINTIES

The company 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 company is always faced with the uncertainties of the weather and its impact upon both supply of product and demand of the ultimate customers.

The company 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 company's operations.

The main risks arising from the company'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.

Interest rate risk:

The company's exposure to market risk for the changes in interest rates relates primarily to the company's finance leases.

Liquidity risk:

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

Currency risk:

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

Credit risk:

The company'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.

Sandfields Farms Limited

Strategic Report

for the Period 7 November 2021 to 5 November 2022

SECTION 172(1) STATEMENT

Directors' Duties

The Directors of the Company, 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 or, if they judge it necessary, from an independent adviser. It is important to recognise that in a large organisation such as Sandfield Farms Limited, the Directors fulfil their duties partly through a governance framework that delegates day-to-day decision-making to employees of the Company.

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 Company 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 of 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 Company's approach is to use 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.

FINANCIAL KEY PERFORMANCE INDICATORS

Overall profitability is a key indicator of the company's performance. The profit for the period was £1.8m (2021: £2.1m).

The directors are satisfied with the performance of the company in the period.

Sandfields Farms Limited

Strategic Report

for the Period 7 November 2021 to 5 November 2022

OTHER KEY PERFORMANCE INDICATORS

Maintaining health and safety standards within the company is seen as a key issue by the directors. The company continues to invest in the health and welfare of its employees and customers.

Energy consumption and pollution controls are key measures. The company 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:

William Derek Wilkinson

.....
W D Wilkinson - Director

Date: 27/7/2023
.....

Sandfields Farms Limited

Report of the Directors
for the Period 7 November 2021 to 5 November 2022

The directors present their report with the financial statements of the company for the period 7 November 2021 to 5 November 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of farming.

DIVIDENDS

An interim dividend of £4.44 per share was paid on 5 August 2022. The directors recommend that no final dividend be paid.

The total distribution of dividends for the period ended 5 November 2022 will be £500,000.

FUTURE DEVELOPMENTS

The directors anticipate no significant changes in the company's activities for the foreseeable future.

DIRECTORS

The directors shown below have held office during the whole of the period from 7 November 2021 to the date of this report.

W D Wilkinson
D Thompson
J B Shropshire

EMPLOYEE INVOLVEMENT

Disabled employees:

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 of that of other employees.

Employee consultation:

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 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.

GOING CONCERN

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

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.

Sandfields Farms Limited aims 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. As a company we have made meaningful progress in the last financial year in understanding our environmental impact and developing mitigation measures.

Sandfields Farms LimitedReport of the Directorsfor the Period 7 November 2021 to 5 November 2022

Measure	For the 52 weeks ended 5th November 2022	For the 53 weeks ended 6th November 2021	Units
Energy consumption used to calculate emissions:	9684577.395	10108208.23	kWh
Emission from the combustion of gas	488.36	443.33	tCO ₂ e
Emission from the combustion of fuel for transport purposes	283.2700	242.4900	tCO ₂ e
Emissions from business travel or employee owned vehicles where company is responsible for purchasing the fuel	7.6000	7.6200	tCO ₂ e
Emission from the combustion of fuel for production purposes	1,707.6500	1,531.0300	tCO ₂ e
Emissions from purchased electricity	449.1200	328.7800	tCO ₂ e
Total Gross tCO₂e based on the above	2,936.0000	2,553.2500	tCO₂e
			Gross
Intensity Ratio	0.000200	0.000160	tCO ₂ e/production tonne

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 for the company with investments in renewable power generation at main sites already in place. In addition, the company has 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 the company's GHG emissions.

Sandfields Farms Limited

Report of the Directors
for the Period 7 November 2021 to 5 November 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- 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 transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company'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:

William Derek Wilkinson

.....
W D Wilkinson - Director

Date: 27/7/2023
.....

Report of the Independent Auditors to the Members of
Sandfields Farms Limited

Independent auditor's report to the members of Sandfields Farms Ltd

Opinion

We have audited the financial statements of Sandfields Farms Ltd (the 'company') for the period from 7 November 2021 to 5 November 2022, which comprise the Statement of Comprehensive Income, the balance sheet, the statement of changes in equity 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 company's affairs as at 5 November 2022 and of its 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 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report, Report of the Directors and Financial Statements, 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

Report of the Independent Auditors to the Members of
Sandfields Farms Limited

- 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 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, 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 for the financial statements

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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting frameworks (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the Company operates;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- We enquired of management and those charged with governance, concerning the Company's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations; and
 - the detection and response to the risks of fraud.
- We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud;
- In addition, we concluded that there are certain specific laws and regulations that may have an effect on the determination of amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental and bribery and corruption matters;
- We corroborated the results of our enquires to relevant supporting documentation;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - evaluation of the programmes and controls established to address the risks related to irregularities and fraud;

Report of the Independent Auditors to the Members of
Sandfields Farms Limited

- testing journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
- challenging assumptions and judgements made by management in its significant accounting estimates;
- identifying and testing related party transactions.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
- knowledge of the industry in which the client operates;
- understanding of the legal and regulatory requirements specific to the Company including:
 - the provisions of the applicable legislation;
 - the regulators' rules and related guidance, including guidance issued by relevant authorities that interprets those rules;
 - the applicable statutory provisions.

- In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Company's operations, including the nature of its revenue sources and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - the applicable statutory provisions;
 - the Company's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the Company's compliance with regulatory requirements.

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

Timothy Taylor FCA (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Chartered Accountants & Statutory Auditors
101 Cambridge Science Park
Milton Road
Cambridge
Cambridgeshire
CB4 0FY

Date: 28/7/2023

Sandfields Farms LimitedStatement of Comprehensive Income
for the Period 7 November 2021 to 5 November 2022

		Period 7.11.21 to 5.11.22 £	Period 1.11.20 to 6.11.21 £
	Notes		
TURNOVER	3	51,960,374	53,895,336
Cost of sales		<u>49,345,046</u>	<u>51,230,692</u>
GROSS PROFIT		2,615,328	2,664,644
Administrative expenses		<u>516,048</u>	<u>640,967</u>
		2,099,280	2,023,677
Other operating income	4	<u>159,108</u>	<u>796,443</u>
OPERATING PROFIT	6	2,258,388	2,820,120
Interest payable and similar expenses	8	<u>191,611</u>	<u>153,739</u>
PROFIT BEFORE TAXATION		2,066,777	2,666,381
Tax on profit	9	<u>227,894</u>	<u>584,647</u>
PROFIT FOR THE FINANCIAL PERIOD		1,838,883	2,081,734
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>1,838,883</u>	<u>2,081,734</u>

The notes form part of these financial statements

Sandfields Farms Limited (Registered number: 06319343)Balance Sheet
5 November 2022

	Notes	2022	2021
		£	£
FIXED ASSETS			
Intangible assets	11	116,667	166,667
Tangible assets	12	9,669,499	7,287,751
Investments	13	<u>214,000</u>	<u>214,000</u>
		10,000,166	7,668,418
CURRENT ASSETS			
Biological assets and stocks	14	2,035,087	1,666,588
Debtors	15	22,746,475	24,114,457
Cash at bank and in hand		<u>156,472</u>	<u>742,856</u>
		24,938,034	26,523,901
CREDITORS			
Amounts falling due within one year	16	<u>16,339,910</u>	<u>17,172,180</u>
NET CURRENT ASSETS		<u>8,598,124</u>	<u>9,351,721</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		18,598,291	17,020,139
CREDITORS			
Amounts falling due after more than one year	17	<u>345,788</u>	<u>106,519</u>
NET ASSETS		<u>18,252,503</u>	<u>16,913,620</u>
CAPITAL AND RESERVES			
Called up share capital	20	1,125	1,125
Share premium	21	298,875	298,875
Retained earnings	21	<u>17,952,503</u>	<u>16,613,620</u>
SHAREHOLDERS' FUNDS		<u>18,252,503</u>	<u>16,913,620</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27/7/2023 and were signed on its behalf by:

William Derek Wilkinson

W D Wilkinson - Director

Sandfields Farms LimitedStatement of Changes in Equity
for the Period 7 November 2021 to 5 November 2022

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 November 2020	1,125	15,531,886	298,875	15,831,886
Changes in equity				
Dividends	-	(1,000,000)	-	(1,000,000)
Total comprehensive income	-	2,081,734	-	2,081,734
Balance at 6 November 2021	1,125	16,613,620	298,875	16,913,620
Changes in equity				
Dividends	-	(500,000)	-	(500,000)
Total comprehensive income	-	1,838,883	-	1,838,883
Balance at 5 November 2022	1,125	17,952,503	298,875	18,252,503

The notes form part of these financial statements

Sandfields Farms Limited

Notes to the Financial Statements
for the Period 7 November 2021 to 5 November 2022

1. STATUTORY INFORMATION

Sandfields Farms Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

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.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of J.B Shropshire & Sons Limited as at 6 November 2021 and these financial statements may be obtained from Companies House.

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act.

Going concern

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

Significant judgements and estimates

Preparation of the financial statements requires management to make judgements and estimates. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regards to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation uncertainty is contained in the accounting policies and/or notes to the financial statements and the key areas are summarised below:

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 provision:

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.

Sandfields Farms Limited

Notes to the Financial Statements - continued
for the Period 7 November 2021 to 5 November 2022

2. **ACCOUNTING POLICIES - continued**

Turnover

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

Sale of goods

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

- The Company has transferred the significant risk and rewards of ownership to the buyer;
- The Company retains neither continuing managerial involvement of 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 Company will receive the consideration due under the transaction; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a 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 Company 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.

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 company's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life which is estimated to be five years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. No reversals of impairment are recognised.

Sandfields Farms LimitedNotes to the Financial Statements - continued
for the Period 7 November 2021 to 5 November 2022**2. ACCOUNTING POLICIES - continued****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	- 10 - 25 years straight line
Plant and machinery	- 3 - 8 years straight line and 25% reducing balance
Motor vehicles	- 25% reducing balance

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 Statement of comprehensive income.

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

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 profit or loss.

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.

Those biological assets which will produce more than one crop over a number of years are classified as long term biological assets whilst those which will produce a single crop with the asset either being wasted or sold as part of the product offering are classified as short term. Biological assets classified as long term are expensed over the expected useful life.

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 estimated selling price less all further costs to completion.

Sandfields Farms Limited

Notes to the Financial Statements - continued
for the Period 7 November 2021 to 5 November 2022

2. **ACCOUNTING POLICIES - continued**

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in 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 present value of the future cash flows and subsequently at amortised costs 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 the 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 Statement of comprehensive income.

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

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

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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.

Sandfields Farms LimitedNotes to the Financial Statements - continued
for the Period 7 November 2021 to 5 November 2022**2. ACCOUNTING POLICIES - continued****Foreign currencies**

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

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

Pension costs and other post-retirement benefits

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

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Debtors

Short term debtors are measured at transaction price, 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 3 months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price.

Government grants

Government grants of a revenue nature are credited to the income statement in the same period as the related expenditure.

Single payment

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

3. TURNOVER

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

All turnover arose within the United Kingdom.

4. OTHER OPERATING INCOME

	Period 7.11.21 to 5.11.22 £	Period 1.11.20 to 6.11.21 £
Other income	<u>159,108</u>	<u>796,443</u>

Sandfields Farms LimitedNotes to the Financial Statements - continued
for the Period 7 November 2021 to 5 November 2022**5. EMPLOYEES AND DIRECTORS**

	Period 7.11.21 to 5.11.22 £	Period 1.11.20 to 6.11.21 £
Wages and salaries	12,806,868	12,365,004
Social security costs	1,175,611	936,351
Other pension costs	289,807	240,252
	<u>14,272,286</u>	<u>13,541,607</u>

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

	Period 7.11.21 to 5.11.22	Period 1.11.20 to 6.11.21
Directors	3	3
Other	<u>421</u>	<u>473</u>
	<u>424</u>	<u>476</u>

	Period 7.11.21 to 5.11.22 £	Period 1.11.20 to 6.11.21 £
Directors' remuneration	299,549	327,260
Directors' benefits in kind	2,453	3,926
Directors' pension	4,000	11,220
	<u>306,002</u>	<u>342,406</u>

The highest paid director received remuneration of £299,549. Contributions to money purchase schemes attributable to the highest paid director totalled £4000.

6. OPERATING PROFIT

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

	Period 7.11.21 to 5.11.22 £	Period 1.11.20 to 6.11.21 £
Depreciation - owned assets	1,019,496	935,733
Profit on disposal of fixed assets	(155,454)	(11,188)
Goodwill amortisation	50,000	50,000
Foreign exchange differences	5,369	5,167
Other operating lease rentals	<u>1,167,303</u>	<u>1,010,461</u>

Sandfields Farms LimitedNotes to the Financial Statements - continued
for the Period 7 November 2021 to 5 November 2022**7. AUDITORS' REMUNERATION**

	Period 7.11.21 to 5.11.22 £	Period 1.11.20 to 6.11.21 £
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	34,557	30,500
Other non- audit services	<u>3,451</u>	<u>3,250</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 7.11.21 to 5.11.22 £	Period 1.11.20 to 6.11.21 £
Loan interest	<u>191,611</u>	<u>153,739</u>

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

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

	Period 7.11.21 to 5.11.22 £	Period 1.11.20 to 6.11.21 £
Current tax:		
UK corporation tax	203,360	545,395
Adjustments in respect of previous periods	<u>(249,386)</u>	<u>35,228</u>
Total current tax	(46,026)	580,623
Deferred tax	<u>273,920</u>	<u>4,024</u>
Tax on profit	<u>227,894</u>	<u>584,647</u>

Sandfields Farms LimitedNotes to the Financial Statements - continued
for the Period 7 November 2021 to 5 November 20229. **TAXATION - continued****Reconciliation of total tax charge included in profit and loss**

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

	Period 7.11.21 to 5.11.22 £	Period 1.11.20 to 6.11.21 £
Profit before tax	<u>2,066,777</u>	<u>2,666,381</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	392,688	506,612
Effects of:		
Expenses not deductible for tax purposes	(49,350)	9,500
Adjustments to tax charge in respect of previous periods	(249,385)	35,228
Other tax changes	133,941	-
Deferred tax not recognised	<u>-</u>	<u>33,307</u>
Total tax charge	<u>227,894</u>	<u>584,647</u>

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the main rate of corporation tax in the United Kingdom will rise to 25% with effect from 1 April 2023 for companies earning annual taxable profits in excess of £250,000. Companies earning annual taxable profits of £250,000 or less will continue to pay corporation tax at 19% with a marginal rate adjustment for companies earning taxable profits between the two levels. These changes were substantively enacted at the Balance Sheet date and therefore an adjustment has been made to deferred taxation balances to account for this change.

10. **DIVIDENDS**

	Period 7.11.21 to 5.11.22 £	Period 1.11.20 to 6.11.21 £
Ordinary shares of £0.01 each		
Interim	<u>500,000</u>	<u>1,000,000</u>

Sandfields Farms LimitedNotes to the Financial Statements - continued
for the Period 7 November 2021 to 5 November 2022**11. INTANGIBLE FIXED ASSETS**

	Goodwill £
COST	
At 7 November 2021 and 5 November 2022	<u>250,000</u>
AMORTISATION	
At 7 November 2021	83,333
Amortisation for period	<u>50,000</u>
At 5 November 2022	<u>133,333</u>
NET BOOK VALUE	
At 5 November 2022	<u>116,667</u>
At 6 November 2021	<u>166,667</u>

12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 7 November 2021	7,962,515	8,091,942	1,371,509	17,425,966
Additions	2,577,859	855,478	36,484	3,469,821
Disposals	<u>(50,000)</u>	<u>(124,771)</u>	<u>(25,084)</u>	<u>(199,855)</u>
At 5 November 2022	<u>10,490,374</u>	<u>8,822,649</u>	<u>1,382,909</u>	<u>20,695,932</u>
DEPRECIATION				
At 7 November 2021	3,261,351	6,071,219	805,645	10,138,215
Charge for period	304,314	598,342	116,840	1,019,496
Eliminated on disposal	<u>-</u>	<u>(112,392)</u>	<u>(18,886)</u>	<u>(131,278)</u>
At 5 November 2022	<u>3,565,665</u>	<u>6,557,169</u>	<u>903,599</u>	<u>11,026,433</u>
NET BOOK VALUE				
At 5 November 2022	<u>6,924,709</u>	<u>2,265,480</u>	<u>479,310</u>	<u>9,669,499</u>
At 6 November 2021	<u>4,701,164</u>	<u>2,020,723</u>	<u>565,864</u>	<u>7,287,751</u>

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 7 November 2021 and 5 November 2022	<u>214,000</u>
NET BOOK VALUE	
At 5 November 2022	<u>214,000</u>
At 6 November 2021	<u>214,000</u>

Sandfields Farms LimitedNotes to the Financial Statements - continued
for the Period 7 November 2021 to 5 November 202213. **FIXED ASSET INVESTMENTS - continued**

The company's investments at the Balance Sheet date in the share capital of companies include the following:

West Africa Farms Holdings Limited

Registered office: United Kingdom

Nature of business: Holding company

	% holding	2022	2021
Class of shares:		£	£
Ordinary	100.00		
Aggregate capital and reserves		<u>127,760</u>	<u>127,760</u>

West Africa Farms SARL*

Registered office: Senegal

Nature of business: Farming

	% holding	2022	2021
Class of shares:		£	£
Ordinary	100.00		
Aggregate capital and reserves		744,936	(113,619)
Profit/ (Loss) for the period		<u>(631,315)</u>	<u>739,551</u>

* Indirect subsidiary.

14. **BIOLOGICAL ASSETS AND STOCKS**

	2022	2021
	£	£
Raw materials	738,103	661,259
Biological assets	1,009,031	933,597
Finished goods	<u>287,953</u>	<u>71,732</u>
	<u>2,035,087</u>	<u>1,666,588</u>

Biological assets

	2022	2021
	£	£
Cost		
At 7 November 2021	933,597	946,630
Increase resulting from purchase	33,288,625	34,942,315
Decreases resulting from harvest	<u>(33,213,191)</u>	<u>(34,955,348)</u>
At 6 November 2022	<u>1,009,031</u>	<u>933,597</u>

Included in the above balance are Asparagus Crowns with a book value of £719,966 (2021: £654,939) which are expected to have an average useful life of 7 years.

Sandfields Farms LimitedNotes to the Financial Statements - continued
for the Period 7 November 2021 to 5 November 2022**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Trade debtors	5,442,414	6,103,678
Amounts owed by group undertakings	16,701,875	17,240,236
Other debtors	551,018	637,013
Tax	-	100,162
Deferred taxation	-	33,368
VAT	51,168	-
	<u>22,746,475</u>	<u>24,114,457</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	1,757,603	2,105,957
Hire Purchase contracts (see note 18)	47,994	-
Amounts owed to group undertakings	11,912,458	13,173,493
Tax	199,336	-
Social security and other taxes	515,626	414,589
VAT	-	14,807
Other creditors	717,859	563,590
Deferred consideration	45,000	45,000
Accrued expenses	1,144,034	854,744
	<u>16,339,910</u>	<u>17,172,180</u>

Amounts owed to group undertakings are unsecured, interest bearing and repayable on demand.

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

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

	2022	2021
	£	£
Hire purchase contracts (see note 18)	47,957	-
Deferred consideration	57,279	106,519
Deferred taxation	240,552	-
	<u>345,788</u>	<u>106,519</u>

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Between one and five years	<u>95,948</u>	<u>-</u>

Sandfields Farms LimitedNotes to the Financial Statements - continued
for the Period 7 November 2021 to 5 November 2022**18. LEASING AGREEMENTS - continued**

	Non-cancellable operating leases	
	2022	2021
	£	£
Within one year	948,248	834,629
Between one and five years	2,180,970	1,928,756
In more than five years	<u>1,635,727</u>	<u>1,466,570</u>
	<u>4,764,945</u>	<u>4,229,955</u>

19. PROVISIONS FOR LIABILITIES

	Deferred tax
	£
Balance at 7 November 2021	(33,368)
Provided during period	<u>273,920</u>
Balance at 5 November 2022	<u>240,552</u>

The deferred tax asset is made up as follows:

	2022	2021
	£	£
Accelerated capital allowances	275,191	-27,863
Short term timing differences	<u>-34,639</u>	<u>-5,505</u>
	<u>240,552</u>	<u>-33,368</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
112,500	Ordinary	£0.01	<u>1,125</u>	<u>1,125</u>

Sandfields Farms LimitedNotes to the Financial Statements - continued
for the Period 7 November 2021 to 5 November 2022**21. RESERVES**

	Retained earnings £	Share premium £	Totals £
At 7 November 2021	16,613,620	298,875	16,912,495
Profit for the period	1,838,883		1,838,883
Dividends	(500,000)		(500,000)
At 5 November 2022	<u>17,952,503</u>	<u>298,875</u>	<u>18,251,378</u>

Share premium account

This reserve contains the premium arising on issue of equity shares net of issue expenses.

22. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the plan are held separately from the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £293,807 (2021: £240,252).

Contributions totalling £233,727 (2021: £56,379) were payable to the fund at the reporting date.

23. RELATED PARTY DISCLOSURES**Entities with control, joint control or significant influence over the entity**

	2022 £	2021 £
Sales and recharges	34,408,791	36,928,080
Purchases	5,775,079	6,253,002
Amount due from related party	12,644,586	15,814,030
Amount due to related party	<u>3,195,160</u>	<u>3,139,508</u>

The company had related party transactions as above during the period.

24. ULTIMATE CONTROLLING PARTY

The immediate parent undertaking of the company is GW & HJ Farms Holdings Limited (Company number: 14362886); a company registered in England and Wales. The registered office of GW & HJ Farms Holdings Limited is the same as that of the company.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by J.B Shropshire & Sons Limited. Copies of the group accounts are available to the public and can be obtained by Companies House, Ground Floor, 80 Petty France, London, SW1H 9EX.

The ultimate controlling party is J B Shropshire by virtue of his shareholding in J.B Shropshire & Sons Limited.