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Company Registration No. 06833184 (England and Wales)

IAN MOSEY (FEED) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2020

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IAN MOSEY (FEED) LIMITED

COMPANY INFORMATION

Directors	Mr B I Mosey Mrs B M Mosey Mrs R J Milne Mr S C Mosey Mrs S E Stark
Secretary	Mrs B M Mosey
Company number	06833184
Registered office	Village Farm Gilling East York North Yorkshire YO62 4JH
Auditor	RSM UK Audit LLP Chartered Accountants Central Square 5th Floor 29 Wellington Street Leeds LS1 4DL

IAN MOSEY (FEED) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The directors present the strategic report for the year ended 31 August 2020.

Review of the business

The key financial performance indicators of the company are turnover, gross profit and operating profit.

	2020 £	2019 £	Movement £	Movement %
Turnover	68,857,186	62,373,754	6,483,432	10.39
Gross profit	11,037,952	10,385,364	652,588	6.28
Operating profit	2,930,664	3,147,501	(216,837)	(6.89)

Turnover

Turnover grew by 10% to £68.9m. This is despite average selling prices decreasing by 5% in the period due to raw material price movements. The main commodity price decreases were wheat and barley. Spot prices for these items fell 17% and 19% respectively on the previous financial year. Sales volumes increased reflecting strong demand which was met by the impact of a continued program to improve productivity levels.

Gross profit

Raw material purchases make up the total cost of sales used to calculate gross profit, which reflect the changes in commodities in the year. Total gross profit margin for the year ended 31 August 2020 was 16.03% before allowing for direct costs of production, against 16.65% in the prior year 2019.

Operating profit

Direct cost of production incurred in line with any change in output are combined with indirect principally fixed costs, to make up the total Administrative Expenses to calculate operating profit.

Overall, the administrative expenses cost base has increased by 12%. This reflects the increase in volume which has led to increased headcount, energy, transport and plant maintenance costs.

The company's statement of financial position shows a strong position with shareholder's funds amounting to £4,277,816 (2019 - £2,765,474).

Principal risks and uncertainties

The significant risk facing the business relates to the fluctuations in the raw material costs for feed. The company mitigates its exposure through arrangements with its customers and the forward purchasing of raw materials.

COVID-19

The directors have considered the risks associated with the current COVID-19 virus. The operations of the company have generally been unaffected by the pandemic and therefore the directors are satisfied that the company continues to be a going concern.

Brexit

To date the business has not seen any significant changes following the new arrangements put in place at the start of 2021 relating to Brexit and the directors are satisfied that this is not likely to adversely impact the company's trading performance in the short to medium term.

IAN MOSEY (FEED) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial instruments

The company is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The company manages these risks by financing its operations through retained profits, supplemented by the use of cash reserves in Ian Mosey Limited where necessary to fund any capital expenditure programmes.

Price Risk

The company reviews current trends to manage its exposure to variation in market prices and uses forward contracts to forward buy raw materials.

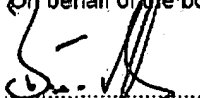
Credit Risk

The company mainly trades with long standing customers of the company, the nature of these relationships assist management in controlling its credit risk in addition to the normal credit management processes.

Liquidity and Cash Flow Risk

Management control and monitor the company's cash flow on a regular basis, including forecasting future cash flows.

On behalf of the board



Mr B I Mosey
Director

30 April 2021

IAN MOSEY (FEED) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The directors present their annual report and financial statements for the year ended 31 August 2020.

Principal activities

The principal activity of the company during the year was that of animal feed manufacturers and merchants.

Directors

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

Mr B I Mosey
Mrs B M Mosey
Mrs R J Milne
Mr S C Mosey
Mrs S E Stark

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £2,500,000 (2019 - £3,000,000). The directors do not recommend payment of a further dividend.

Directors' insurance

Third party director indemnity insurance is in place for the benefit of the directors.

Future developments

The company will continue to consolidate its business interests and exploit opportunities as they arise.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management objectives and policies.

IAN MOSEY (FEED) LIMITED

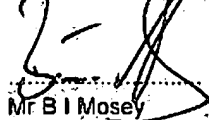
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the Board



Mr B I Mosey
Director

Date: 30 April 2021

IAN MOSEY (FEED) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IAN MOSEY (FEED) LIMITED

Opinion

We have audited the financial statements of Ian Mosey (Feed) Limited for the year ended 31 August 2020 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position 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 FRS 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 31 August 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IAN MOSEY (FEED) LIMITED (CONTINUED)

Matters on which we are required to report by exception

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 and the directors' report.

We have nothing to report in respect of the following matters where 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 set out on page 5, 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Daniel Varley (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Central Square

5th Floor

29 Wellington Street

Leeds

LS1 4DL

5 May 2021

IAN MOSEY (FEED) LIMITED

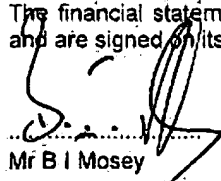
STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2019 £
Turnover	3	68,857,186	62,373,754
Cost of sales		(57,819,234)	(51,988,390)
Gross profit		11,037,952	10,385,364
Administrative expenses		(8,107,288)	(7,237,863)
Operating profit	6	2,930,664	3,147,501
Interest receivable and similar income		56	153
Interest payable and similar expenses		-	(237)
Profit before taxation		2,930,720	3,147,417
Tax on profit	8	1,081,622	(543,948)
Profit for the financial year		4,012,342	2,603,469
Retained earnings brought forward		2,765,374	3,161,905
Dividends	9	(2,500,000)	(3,000,000)
Retained earnings carried forward		4,277,716	2,765,374

IAN MOSEY (FEED) LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		217,972		316,565
Current assets					
Stocks	11	1,460,676		2,434,411	
Debtors	12	8,710,208		6,992,931	
Cash at bank and in hand		395,487		260,175	
		10,566,371		9,687,517	
Creditors: amounts falling due within one year	13	(6,482,966)		(7,211,808)	
Net current assets			4,083,405		2,475,709
Total assets less current liabilities			4,301,377		2,792,274
Provisions for liabilities	14		(23,561)		(26,800)
Net assets			4,277,816		2,765,474
Capital and reserves					
Called up share capital	17		100		100
Profit and loss reserves	18		4,277,716		2,765,374
Total equity			4,277,816		2,765,474

The financial statements were approved by the board of directors and authorised for issue on 30 April 2021 and are signed on its behalf by:


Mr B I Mosey
Director

IAN MOSEY (FEED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Company information

Ian Mosey (Feed) Limited ("the company") is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business is Village Farm, Gilling East, York, North Yorkshire, YO62 4JH.

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

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements have been prepared with the application of the FRS 102 Triennial Review 2017 amendments in full. There is no impact on the current or comparative figures as a result of the amendments and as such no transitional adjustments have been made.

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.

Reduced disclosures

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

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Ian Mosey Limited. These consolidated financial statements are available from its registered office, Village Farm, Gilling East, York, North Yorkshire, YO62 4JH.

Going concern

The financial statements are prepared on a going concern basis. Having carried out a detailed review of the company's resources, including the availability of support as required from the group's cash reserves, the directors are confident that the company has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of the financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods in the ordinary nature of the business. Turnover is shown net of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attached to the product, have been transferred to the customer.

IAN MOSEY (FEED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Tangible fixed assets

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

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

Plant and machinery	15% on a reducing balance basis
Equipment	20% on a reducing balance basis
Motor vehicles	25% on a reducing balance basis

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.

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).

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 is estimated to be less than its carrying amount, the carrying amount of the asset 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.

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. Stock is calculated on a FIFO (first in first out) basis.

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.

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 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.

IAN MOSEY (FEED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Basic financial assets

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

Impairment of financial assets

Financial assets 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.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, amounts due to group undertakings and accruals 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.

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

Derecognition of financial liabilities

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

Equity instruments

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

IAN MOSEY (FEED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Taxation

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

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the reporting date.

Employee benefits

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

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

Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from the company in an independently administered fund. Contributions payable are charged to the profit and loss account in the year they are payable.

Leases

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

IAN MOSEY (FEED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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.

There are no individual judgements or estimates that the directors consider to be material to the financial statements.

3 Turnover

An analysis of the company's turnover, all derived in the United Kingdom, is as follows:

	2020 £	2019 £
Turnover analysed by class of business		
Animal feed manufacturing	68,857,186	62,373,754

4 Employees

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

	2020 Number	2019 Number
Production staff	62	58
Management staff	2	2
	<u>64</u>	<u>60</u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	2,159,579	2,005,171
Social security costs	195,521	190,946
Pension costs	68,757	51,423
	<u>2,423,857</u>	<u>2,247,540</u>

IAN MOSEY (FEED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

5 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	246,567	138,474
Company pension contributions to defined contribution schemes	15,896	12,529
	<u>262,463</u>	<u>151,003</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2019 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	104,509	-
Company pension contributions to defined contribution schemes	12,576	-
	<u>117,085</u>	<u>-</u>

As total directors' remuneration was less than £200,000 in the prior year, no disclosure is provided for that year.

6 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	45,110	51,191
Loss on disposal of tangible fixed assets	6,484	-
Operating lease charges	-	4,729
	<u>51,594</u>	<u>55,920</u>

7 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	9,750	8,250
For other services		
Taxation compliance services	3,350	3,183
All other non-audit services	10,600	10,100
	<u>13,950</u>	<u>13,283</u>

IAN MOSEY (FEED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

8 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	-	546,826
Adjustments in respect of prior periods	(1,078,383)	-
Total current tax	(1,078,383)	546,826
Deferred tax		
Origination and reversal of timing differences	(6,632)	(2,878)
Changes in tax rates	3,178	-
Adjustment in respect of prior periods	215	-
Total deferred tax	(3,239)	(2,878)
Total tax (credit)/charge	(1,081,622)	543,948

In his Budget in March 2020, the Chancellor announced that the rate of corporation tax would remain at 19% from 1 April 2020 rather than the rate of 17% which had previously been substantially enacted. As a result of this change there is an additional deferred tax charge in the current year.

The adjustment in respect of prior periods relates to group relief on research and development tax credit claims for prior years.

The total tax (credit)/charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	2,930,720	3,147,417
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	556,837	598,009
Tax effect of expenses that are not deductible in determining taxable profit	1,209	1,163
Adjustments in respect of prior years	(1,078,383)	-
Effect of change in corporation tax rate	3,178	338
Group relief	(564,678)	(55,562)
Deferred tax adjustments in respect of prior years	215	-
Taxation (credit)/charge for the year	(1,081,622)	543,948

IAN MOSEY (FEED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

9 Dividends

	2020 £	2019 £
Interim paid	2,500,000	3,000,000

Dividends of £25,000 (2019 - £30,000) per ordinary share were declared during the year.

10 Tangible fixed assets

	Plant and machinery £	Equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2019	506,284	52,431	14,500	573,215
Disposals	(82,000)	-	(4,000)	(86,000)
At 31 August 2020	424,284	52,431	10,500	487,215
Depreciation and impairment				
At 1 September 2019	206,928	39,100	10,622	256,650
Depreciation charged in the year	40,862	3,278	970	45,110
Eliminated in respect of disposals	(28,680)	-	(3,837)	(32,517)
At 31 August 2020	219,110	42,378	7,755	269,243
Carrying amount				
At 31 August 2020	205,174	10,053	2,745	217,972
At 31 August 2019	299,356	13,331	3,878	316,565

11 Stocks

	2020 £	2019 £
Raw materials and consumables	1,138,624	2,305,087
Finished goods and goods for resale	322,052	129,324
	1,460,676	2,434,411

IAN MOSEY (FEED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

12 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	2,490,597	3,119,307
Corporation tax recoverable	1,297,009	-
Amounts owed by group undertakings	4,533,448	3,178,633
Other debtors	255,707	208,205
Prepayments and accrued income	133,447	486,786
	<u>8,710,208</u>	<u>6,992,931</u>

13 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	6,072,999	4,039,160
Amounts due to group undertakings	-	290,737
Corporation tax	-	243,920
Other taxation and social security	52,843	50,742
Other creditors	9,923	8,612
Accruals and deferred income	347,201	2,578,637
	<u>6,482,966</u>	<u>7,211,808</u>

14 Provisions for liabilities

	Notes	2020	2019
		£	£
Deferred tax liabilities	15	<u>23,561</u>	<u>26,800</u>

15 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020	Liabilities 2019
	£	£
Balances:		
Excess of taxation allowances over depreciation on fixed assets	24,460	27,523
Short term timing differences	(899)	(723)
	<u>23,561</u>	<u>26,800</u>

IAN MOSEY (FEED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

15 Deferred taxation (Continued)

	2020 £
Movements in the year:	
Liability at 1 September 2019	26,800
Credit to profit and loss	(3,239)
Liability at 31 August 2020	<u>23,561</u>

16 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>68,757</u>	<u>51,423</u>

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.

Included within creditors at the year end are outstanding pension contributions of £9,868 (2019 - £8,888).

17 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

Ordinary share rights

The company's Ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

18 Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

19 Financial commitments, guarantees and contingent liabilities

As at 31 August 2020 the company had entered into various forward contracts to fix the price of the purchase of certain raw materials. The total purchase commitment as at 31 August 2020 was £7.5m (2019 - £5.5m). The company will take physical delivery of all such materials.

As under these forward contracts physical delivery of the goods is taken, these are not recorded as financial instruments and this is a commitment for the purpose of trade and as such are excluded from the scope of section 12 of FRS 102.

IAN MOSEY (FEED) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

20 Related party transactions

Transactions with related parties

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

	Sales of goods		Purchases of goods	
	2020	2019	2020	2019
	£	£	£	£
Other related parties	158,888	19,152	615,073	84,193

The other related party is a partnership that comprises the directors of Ian Mosey Limited.

The amount owed to the other related party amounts to £138,459 (2019 - £3,491).

Sales of goods to related parties were made at the company's usual list prices. Purchases were made at market price discounted to reflect the quantity of goods purchased.

The amounts outstanding are unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior year in respect of bad debts from related parties.

21 Directors' transactions

Included within other creditors is £23,004 (2019 - other debtors of £1,357 owed by the directors of the company) owed to the directors of the company.

22 Ultimate controlling party

The company is a wholly owned subsidiary of Ian Mosey Limited, a company registered in England and Wales.

The smallest and largest group for which consolidated accounts including Ian Mosey (Feed) Limited are prepared is that headed by Ian Mosey Limited. The consolidated financial statements for Ian Mosey Limited are available from its registered office, Village Farm, Gilling East, York, North Yorkshire, YO62 4JH.