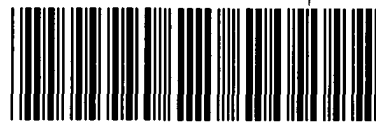


**Company Registration No. 07931451 (England and Wales)**

**Farmers Guardian Limited**

**Annual report and financial statements  
for the year ended 31 December 2021**

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## **Farmers Guardian Limited**

### **Company information**

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<b>Directors</b>	Simon Foster Leighton Newbury Jonathon Whiteley	(Appointed 18 August 2021) (Appointed 29 October 2022) (Appointed 29 October 2022)
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<b>Company number</b>	07931451
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<b>Registered office</b>	Unit 4 Fulwood Park Caxton Road Fulwood Preston PR2 9NZ
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<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU
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**Farmers Guardian Limited**

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## **Farmers Guardian Limited**

### **Strategic report**

**For the year ended 31 December 2021**

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The directors present the strategic report for the year ended 31 December 2021.

#### **Review of the business**

The profit for the year, before management charges, exceptional items and taxation, amounts to £3.655m (2020: £1.617m).

Revenue increased by 6.7% to £9.5m (2020: £8.9m). The lead up to the General Election and the uncertainty over Brexit, combined with the effects of adverse weather, led to some pressure on the domestic agriculture market.

Farmers Guardian performed well in this market - continuing to gain market share and to develop insightful products. The portfolio enters 2022 in a robust position.

Farmers Guardian Limited (the Company) publishes industry specific media content tailored to the UK agricultural market. Publications include the Farmers Guardian weekly newspaper, the monthly Dairy Farmer and Arable Farming magazines and provides events and digital products to its customers.

#### **Principal risks and uncertainties**

The objective of the Board is to manage risk across the Group (Arc Investco Limited and its subsidiaries) of which the Company is a member, in order to enable the Group to achieve its business objectives. Changes to these objectives may result in a change to the risks faced by the Group and this is monitored closely by the Board. The main risks arising from the Group's financial instruments are credit risk and liquidity risk.

##### **Credit risk**

In the normal course of business, the Company incurs credit risk associated with cash and trade receivables. The Company follows the Group's credit policy that is used to manage this exposure to credit risk. The company does not have a significant concentration of risk with any single entity.

##### **Liquidity risk**

Liquidity risk represents the Company's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis for all entities within the Group. The Company generates sufficient cash flows from its operating activities to meet its financial obligations.

##### **Interest rate risk**

The Company does not have a significant exposure to interest rate fluctuations as it has no significant borrowings or loans that are carried at a floating interest rate. All borrowings are denominated in Sterling.

**Farmers Guardian Limited**

**Strategic report (continued)**

**For the year ended 31 December 2021**

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**Key performance indicators**

The Directors monitor the performance of the business by reference to key financial performance indicators. These indicators include revenue, contribution and earnings before tax, depreciation and amortisation (EBITDA) as shown in the financial statements. In addition, the Directors monitor the yields across classified, display and membership income as well as renewal rates for both members and exhibitions.

**Future**

In 2022 Farmers Guardian will continue to develop its offerings on a customer centric, platform neutral, digitally underpinned basis. This will include the development of additional cross-media packages for its customers.

On behalf of the board



Simon Foster

Director

Date: 28/11/2022

## **Farmers Guardian Limited**

### **Directors' report**

**For the year ended 31 December 2021**

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### **Principal activities**

The principal activity of the company continued to be that of publishing specific media content tailored to the UK agricultural market.

#### **Results and dividends**

The results for the year are set out on page 9 on the Statement of Comprehensive Income.

Ordinary dividends were paid to the previous shareholders, with change of ownership during the year, amounting to £12,331,149 as referenced in note 9. The directors do not recommend payment of a final dividend.

#### **Directors**

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

Rupert Levy	(Resigned 18 August 2021)
William Brown	(Resigned 18 August 2021)
Anup Bagaria	(Appointed 18 August 2021 and resigned 29 October 2022)
Simon Foster	(Appointed 18 August 2021)
Robert Gray	(Appointed 18 August 2021 and resigned 29 October 2022)
Amanda Ratner	(Appointed 18 August 2021 and resigned 29 October 2022)
Michael Struble	(Appointed 18 August 2021 and resigned 29 October 2022)
Leighton Newbury	(Appointed 29 October 2022)
Jonathon Whiteley	(Appointed 29 October 2022)

#### **Post reporting date events**

On 4 May 2022, the Company acquired FoodCompanions B.V. and FoodCompanions Impact B.V., which together form Bridge2Food, a business operating in the plant-based food sector, for an initial consideration of £5.31m (€5.60m) with further deferred consideration to be paid if specific targets are met.

#### **Auditor**

BDO LLP have expressed their willingness to continue in office.

**Farmers Guardian Limited**

**Directors' report (continued)**

**For the year ended 31 December 2021**

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**Statement of directors' responsibilities**

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

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

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

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.

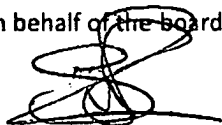
**Statement of disclosure to auditor**

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

**Going concern**

We confirm Arc Investco Limited, as the ultimate UK owner of the issued share capital of Farmers Guardian Limited, has undertaken a review of forecast future performance for a period of not less than one year from today's date, which incorporates the profitability and results of Farmers Guardian Limited. Based on this, along with cost levels and having taken into consideration prudent levels of risks, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence, for the foreseeable future. Accordingly, the accounts have been prepared adopting the going concern basis.

On behalf of the board



.....  
Simon Foster  
Director

Date: 28/11/2022 .....

**Farmers Guardian Limited**

**Independent auditor's report**

**To the member of Farmers Guardian Limited**

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**Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Farmers Guardian Limited ("the Company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and 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).

**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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We remain 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.

**Conclusions relating to going concern**

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

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

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



**Independent auditor's report (continued)**  
**To the member of Farmers Guardian Limited**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors report 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Other Companies Act 2006 reporting**

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

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

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 Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Independent auditor's report (continued)**  
**To the member of Farmers Guardian Limited**

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**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.

*Extent to which the audit was 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the laws and regulations of the UK to be the most relevant to the audit given the operations of the company. As part of our audit fieldwork, we held meetings with the relevant internal management to form our opinion on the extent of company compliance.

In addition, our testing also included, but was not limited to:

- testing the financial statement disclosures to supporting documentation, performing substantive testing on account balances which were considered to be a greater risk of susceptibility to fraud;
- performing targeted journal entry testing based on identified characteristics the audit team considered could be indicative of fraud, for example credit entries to revenue without a corresponding entry to trade debtor, cash, accrued income or deferred income as well as a focus on large and unusual transactions based on our knowledge of the business; and
- critically assessing the accounting policies and areas of the financial statements which include judgement and estimates, as set out in the financial statements.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Farmers Guardian Limited**

**Independent auditor's report (continued)**  
**To the member of Farmers Guardian Limited**

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**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.

DocuSigned by:



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**Peter Smithson (Senior Statutory Auditor)**  
**For and on behalf of BDO LLP, Statutory Auditor**  
**London, UK**

30 November 2022  
**Date** .....

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Farmers Guardian Limited****Statement of comprehensive income  
For the year ended 31 December 2021**

		<b>2021</b>	<b>2020</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	<b>9,542,770</b>	<b>8,943,166</b>
<b>Cost of sales</b>		<b>(3,679,852)</b>	<b>(3,720,363)</b>
<b>Gross profit</b>		<b>5,862,918</b>	<b>5,222,803</b>
Distribution costs		(1,819,073)	(1,742,840)
Administrative expenses		(1,032,608)	(2,479,461)
Other operating income		-	27,505
Exceptional item	<b>4</b>	<b>(644,248)</b>	-
<b>Operating profit</b>	<b>5</b>	<b>2,366,989</b>	<b>1,028,007</b>
Interest payable and similar expenses	<b>7</b>	-	(837,415)
<b>Profit before taxation</b>		<b>2,366,989</b>	<b>190,592</b>
Tax on profit	<b>8</b>	(92,220)	-
<b>Profit for the financial year</b>		<b>2,274,769</b>	<b>190,592</b>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 12 to 24 form part of these financial statements.

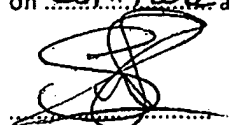
**Farmers Guardian Limited**

**Statement of financial position  
As at 31 December 2021**

	Notes	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Intangible assets	10		135,541		133,544
Tangible assets	11		61,156		66,166
			<u>196,697</u>		<u>199,710</u>
<b>Current assets</b>					
Debtors	12	926,627		19,002,504	
Cash at bank and in hand		2,644,618		496,866	
		<u>3,571,245</u>		<u>19,499,370</u>	
<b>Creditors: amounts falling due within one year</b>	13	(3,467,797)		(1,892,555)	
<b>Net current assets</b>			<u>103,448</u>		<u>17,606,815</u>
<b>Total assets less current liabilities</b>			<u>300,145</u>		<u>17,806,525</u>
<b>Creditors: amounts falling due after more than one year</b>	14		-		(7,450,000)
<b>Net assets</b>			<u><u>300,145</u></u>		<u><u>10,356,525</u></u>
<b>Capital and reserves</b>					
Called up share capital	16		1,000		1,000
Share premium account			99,000		99,000
Profit and loss reserves			200,145		10,256,525
<b>Total equity</b>			<u><u>300,145</u></u>		<u><u>10,356,525</u></u>

The notes on pages 12 to 24 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 28/11/2022 and are signed on its behalf by:



Simon Foster  
Director

Company Registration No. 07931451

**Farmers Guardian Limited**

**Statement of changes in equity  
For the year ended 31 December 2021**

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2020</b>		1,000	99,000	10,065,933	10,165,933
<b>Year ended 31 December 2020:</b>					
Profit and total comprehensive income for the year		-	-	190,592	190,592
<b>Balance at 31 December 2020</b>		1,000	99,000	10,256,525	10,356,525
<b>Year ended 31 December 2021:</b>					
Profit and total comprehensive income for the year		-	-	2,274,769	2,274,769
Dividends	9	-	-	(12,331,149)	(12,331,149)
<b>Balance at 31 December 2021</b>		1,000	99,000	200,145	300,145

The notes on pages 12 to 24 form part of these financial statements.

## 1 Accounting policies

### Company information

Farmers Guardian Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 4 Fulwood Park, Caxton Road, Fulwood, Preston, PR2 9NZ.

### 1.1 Accounting convention

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

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

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

*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 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Farmers Guardian Limited is a wholly owned subsidiary of Arc Media Holdings Limited and the results of Farmers Guardian Limited are included in the consolidated financial statements of Arc Investco Limited which are available from Unit 4 Fulwood Park, Caxton Road, Fulwood, Preston, PR2 9NZ.

### 1.2 Going concern

Farmers Guardian remains a high margin and highly cash generative business, as such management does not believe any of the Company's assets require a provision for impairment.

The board has considered the trading of the business and does not anticipate any issues with regards to the going concern of the company for the next 12 months.

### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

**1 Accounting policies (continued)**

**1.3 Turnover (continued)**

Subscription income is deferred in full and subsequently is recognised on a straight line basis over the life of the membership contract. Advertising revenue is recognised on the date of publication as this is the point in time at which it is considered that the risks and rewards have transferred to the customer.

Income from events is recognised on the date an event takes place.

**1.4 Intangible fixed assets - goodwill**

Goodwill arising on a business combination represents the excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 8 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

**1.5 Intangible fixed assets other than goodwill**

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets for website and software development costs are recognised as an asset if and only if specific criteria are met in order to demonstrate that the asset will generate probable future economic benefits and that its cost can be reliably measured.

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

Website & software	Straight line over 3 years
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**1.6 Tangible fixed assets**

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



Notes to the financial statements (continued)  
For the year ended 31 December 2021

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**1 Accounting policies (continued)**

**1.6 Tangible fixed assets (continued)**

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

Office equipment	Straight line over 3 years
Fixtures & fittings	Straight line over 3 years
Computer equipment	Straight line over 3 years

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.

**1.7 Impairment of fixed assets**

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

**1.8 Cash at bank and in hand**

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

**1.9 Financial instruments**

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

Financial instruments are recognised in the company's statement of financial position 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.

**1 Accounting policies (continued)**

**1.9 Financial instruments (continued)**

***Basic financial assets***

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

***Impairment of financial assets***

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

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

***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 creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements (continued)  
For the year ended 31 December 2021

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**1 Accounting policies (continued)**

**1.9 Financial instruments (continued)**

***Other financial liabilities***

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

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

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

***Derecognition of financial liabilities***

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

**1.10 Equity Instruments**

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

**1.11 Taxation**

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

***Current tax***

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

**1 Accounting policies (continued)**

**1.11 Taxation (continued)**

***Deferred tax***

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.13 Retirement benefits**

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

**1.14 Government grants**

Grants are accounted under the accruals model as permitted by FRS102. The company classifies a grant either as a grant relating to revenue or a grant relating to assets. A grant is recognised when there is reasonable assurance that the company will comply with the conditions attached to the grant and the grants will be received.

Grants of a revenue nature are recognised in the consolidated statement of comprehensive income in the same period as the related expenditure.

**2 Critical accounting 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.

## Notes to the financial statements (continued)

For the year ended 31 December 2021

**2 Critical accounting judgements and key sources of estimation uncertainty (continued)****Key sources of estimation uncertainty**

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

***Recoverability of amounts owed by group undertakings***

Provision for impairment of the carrying value of amounts owed by group undertakings is made based on management's estimate of the prospect of recovering the amounts due, which includes considering the solvency of the counterparty and its future outlook, based on budgets and forecasts prepared by management.

**3 Turnover and other revenue**

	2021	2020
	£	£
<b>Other significant revenue</b>		
Grants received	-	27,505
	<u>          </u>	<u>          </u>

The company had taken advantage of the Coronavirus Job Retention Scheme during the prior year in the UK. No claims were made in the current year.

This income of £nil (2020: £27,505) was recognised in the period to which the furloughed staff costs relate and only when it is reasonably likely for the conditions to be met. The payroll liability has been incurred by the group and therefore, has met the conditions to claim for the payroll period. All other conditions have been satisfied.

**4 Exceptional item**

	2021	2020
	£	£
<b>Intercompany loan write off</b>	644,248	-
	<u>          </u>	<u>          </u>

During the year, the company was acquired by new owners and formed part of a new group structure. At the acquisition date, balances due to the previous parent company were written off as a part of the acquisition.

**Farmers Guardian Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2021**

**5 Operating profit**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	27,000	-
Depreciation of owned tangible fixed assets	46,910	47,975
Amortisation of intangible assets	62,613	272,031
Exceptional items	644,248	-
Management charges	-	1,426,849
Operating lease charges	96,000	84,000
	<u>          </u>	<u>          </u>

**6 Employees**

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

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Selling, publication and administration	87	93
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,476,741	2,420,324
Social security costs	252,819	246,524
Pension costs	111,894	120,941
	<u>          </u>	<u>          </u>
	<u>2,841,454</u>	<u>2,787,789</u>

During the year, the Company was acquired by a new parent company, Arc Media Holdings Limited, where the newly installed directors following the acquisition were remunerated.

**7 Interest payable and similar expenses**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest payable to group undertakings	-	837,415
	<u>          </u>	<u>          </u>

**Farmers Guardian Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2021**

**8 Taxation**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	92,220	-

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Profit before taxation	2,366,989	190,592
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	449,728	36,212
Tax effect of expenses that are not deductible in determining taxable profit	122,901	292
Change in unrecognised deferred tax assets	-	(19,633)
Group relief	(488,823)	(16,871)
Other permanent differences	5,130	-
Deferred tax not provided for	3,284	-
Taxation charge for the year	92,220	-

**9 Dividends**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interim paid	12,331,149	-

During the year the directors declared and paid a dividend amounting to £12,331,149 (2020: £nil).

**Farmers Guardian Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2021**

**10 Intangible fixed assets**

	<b>Goodwill</b>	<b>Website &amp; software</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2021	7,719,934	604,283	8,324,217
Additions	-	65,662	65,662
Disposals	-	(727)	(727)
At 31 December 2021	7,719,934	669,218	8,389,152
<b>Amortisation and impairment</b>			
At 1 January 2021	7,719,934	470,739	8,190,673
Amortisation charged for the year	-	62,613	62,613
Disposals	-	325	325
At 31 December 2021	7,719,934	533,677	8,253,611
<b>Carrying amount</b>			
At 31 December 2021	-	135,541	135,541
At 31 December 2020	-	133,544	133,544

Website costs are all internally generated intangible assets. Software relates to purchased computer software.



**Farmers Guardian Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2021**

**11 Tangible fixed assets**

	Office equipment £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2021	12,950	54,117	455,234	522,301
Additions	-	80	41,820	41,900
At 31 December 2021	12,950	54,197	497,054	564,201
<b>Depreciation and impairment</b>				
At 1 January 2021	12,921	41,121	402,093	456,135
Depreciation charged in the year	29	5,472	41,409	46,910
At 31 December 2021	12,950	46,593	443,502	503,045
<b>Carrying amount</b>				
At 31 December 2021	-	7,604	53,552	61,156
At 31 December 2020	29	12,996	53,141	66,166

**12 Debtors**

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	720,456	672,097
Amounts owed by group undertakings	17,604	17,913,835
Other debtors	83,523	219,186
Prepayments and accrued income	105,044	197,386
	<u>926,627</u>	<u>19,002,504</u>

Amounts owed by group undertakings are unsecured, interest free and there are no set terms of repayment.

**Farmers Guardian Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2021**

**13 Creditors: amounts falling due within one year**

	2021	2020
	£	£
Trade creditors	322,425	297,783
Amounts owed to group undertakings	1,744,994	258,946
Corporation tax	92,220	-
Other taxation and social security	152,335	327,667
Other creditors	74,678	-
Accruals and deferred income	1,081,145	1,008,159
	<u>3,467,797</u>	<u>1,892,555</u>

Amounts owed to group undertakings falling due within one year are unsecured, interest free and there are no set terms of repayment.

**14 Creditors: amounts falling due after more than one year**

	2021	2020
	£	£
Amounts owed to group undertakings	-	7,450,000
	<u>-</u>	<u>7,450,000</u>

Amounts owed to group undertakings falling due within one year are unsecured, interest free and there are no set terms of repayment.

**15 Retirement benefit schemes**

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>111,894</u>	<u>120,941</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.

**16 Share capital**

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 1p each	<u>100,000</u>	<u>100,000</u>	<u>1,000</u>	<u>1,000</u>

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2021**

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**17 Operating lease commitments**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Within one year	99,078	96,000
Between two and five years	25,080	119,100
	<u>124,158</u>	<u>215,100</u>

**18 Events after the reporting date**

On 4 May 2022, the Company acquired FoodCompanions B.V. and FoodCompanions Impact B.V., which together form Bridge2Food, a business operating in the plant-based food sector, for an initial consideration of £5.31m (€5.60m) with further deferred consideration to be paid if specific targets are met.

**19 Related party transactions**

The company has taken advantage of the exemption under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

**20 Ultimate controlling party**

The immediate parent undertaking is Arc Media Holdings Limited. The ultimate parent company is Arc Investco Limited. This is the only group of which the company is a member for which group financial statements are prepared. Copies of the group financial statements are available from the company's registered office at Unit 4 Fulwood Park, Caxton Road, Fulwood, Preston, England, PR2 9NZ.

There is no ultimate controlling party.