

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements
for the Period 7 November 2021 to 5 November 2022
for
GCH Farms Holdings Limited

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GCH Farms Holdings Limited

Company Information

for the Period 7 November 2021 to 5 November 2022

DIRECTORS:

D Thompson
C J Shropshire
H J Shropshire
G W Shropshire
T J Smith

REGISTERED OFFICE:

Hainey Farm
Barway
Ely
Cambridgeshire
CB7 5TZ

REGISTERED NUMBER:

09068010 (England and Wales)

AUDITORS:

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

GCH Farms Holdings Limited

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

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

REVIEW OF BUSINESS

The results of the group show sales of £23.0m (2021: £21.2m) and pre-tax profit of £1.5m (2021: £2.5m) for the period. At the period end the company had net assets of £10.2m (2021: £9.0m).

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

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

The principal activity of the group is farming.

PRINCIPAL RISKS AND UNCERTAINTIES

The group's principal operational risks and uncertainties include exposure to UK and global macroeconomic conditions, reliance on key personnel, security of customers and supply chain, reputation. Notwithstanding these risks and uncertainties, the Directors expect the group to continue to trade profitably in the future.

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

Financial risk management:

The group uses various financial instruments, including loans, cash, overdrafts and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the group's ongoing operations and capital expenditure programme. Their existence exposes the group to a number of financial risks, primarily interest rate risk and credit risk.

Interest rate risk:

The group's exposure to interest rate and liquidity risk is considered low due to the healthy cash position.

Credit risk:

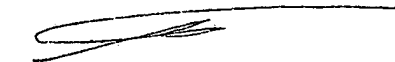
The principal credit risk lies with trade debtors. This is not considered a high risk as a significant proportion of the group's turnover is with G's Growers Limited, a cooperative with 24 active members within the UK and Spain, who, via marketing agents, trade with major supermarket multiples, processors and wholesale markets. The credit terms with G's Growers Limited are between 21-28 days. Other customers' credit terms are based on payment history and reviewed on a regular basis.

FINANCIAL KEY PERFORMANCE INDICATORS

Overall profitability is a key indicator of the group's performance. The profit for the period was £1.1m (2021: £2.2m).

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

ON BEHALF OF THE BOARD:



.....
D Thompson - Director

Date: 17/8/2023
.....

GCH Farms Holdings 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 and the group for the period 7 November 2021 to 5 November 2022.

DIVIDENDS

No dividends will be distributed for the period ended 5 November 2022.

FUTURE DEVELOPMENTS

The directors anticipate no significant changes to the group'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.

D Thompson
C J Shropshire
H J Shropshire
G W Shropshire
T J Smith

GOING CONCERN

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

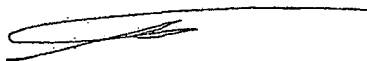
GCH Farms Holdings Limited

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

AUDITORS

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

ON BEHALF OF THE BOARD:



.....
D Thompson - Director

Date: 17/8/2023
.....

Report of the Independent Auditors to the Members of
GCH Farms Holdings Limited

Independent auditor's report to the members of GCH Farms Holdings Limited

Opinion

We have audited the financial statements of GCH Farms Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period from 7 November 2021 to 5 November 2022, which comprise the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated and company balance sheets, the consolidated and company statements of changes in equity, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 5 November 2022 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 group's and the parent 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 group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from 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 group's and the parent 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 group's and the parent 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 annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial

Report of the Independent Auditors to the Members of
GCH Farms Holdings Limited

statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 Group and 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 Group 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 Group'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;

Report of the Independent Auditors to the Members of
GCH Farms Holdings Limited

- We corroborated the results of our enquires to relevant supporting documentation;
 - We assessed the susceptibility of the Group and 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; 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 Group operates;
 - understanding of the legal and regulatory requirements specific to the Group 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 Group'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 Group'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 Group'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: 21 AUGUST 2023

GCH Farms Holdings LimitedConsolidated Income Statement
for the Period 7 November 2021 to 5 November 2022

	Notes	Period 7.11.21 to 5.11.22 £'000		Period 1.11.20 to 6.11.21 £'000	
TURNOVER	3		22,970		21,185
Cost of sales			<u>21,348</u>		<u>18,408</u>
GROSS PROFIT			1,622		2,777
Administrative expenses			<u>781</u>		<u>559</u>
			841		2,218
Other operating income			<u>648</u>		<u>49</u>
OPERATING PROFIT	5		1,489		2,267
Income from interest in associated undertakings		(36)		263	
Interest receivable and similar income		<u>58</u>		<u>19</u>	
			<u>22</u>		<u>282</u>
			1,511		2,549
Interest payable and similar expenses	7		<u>8</u>		<u>17</u>
PROFIT BEFORE TAXATION			1,503		2,532
Tax on profit	8		<u>367</u>		<u>295</u>
PROFIT FOR THE FINANCIAL PERIOD			<u>1,136</u>		<u>2,237</u>
Profit attributable to: Owners of the parent			<u>1,136</u>		<u>2,237</u>

The notes form part of these financial statements

GCH Farms Holdings Limited

Statement of Consolidated Other Comprehensive Income
for the Period 7 November 2021 to 5 November 2022

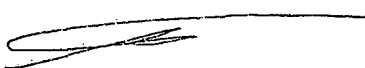
	Period 7.11.21 to 5.11.22 £'000	Period 1.11.20 to 6.11.21 £'000
Notes		
PROFIT FOR THE PERIOD	1,136	2,237
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,136</u>	<u>2,237</u>
Total comprehensive income attributable to: Owners of the parent	<u>1,136</u>	<u>2,237</u>

The notes form part of these financial statements

GCH Farms Holdings Limited (Registered number: 09068010)Consolidated Balance Sheet
5 November 2022

	Notes	2022 £'000	2021 £'000
FIXED ASSETS			
Tangible assets	10	2,640	3,060
Investments	11		
Interest in associate		357	393
Other investments		-	30
		<u>2,997</u>	<u>3,483</u>
CURRENT ASSETS			
Stocks	12	1,765	2,296
Debtors	13	2,309	3,086
Cash at bank		<u>4,887</u>	<u>4,289</u>
		8,961	9,671
CREDITORS			
Amounts falling due within one year	14	<u>1,785</u>	<u>4,017</u>
NET CURRENT ASSETS		<u>7,176</u>	<u>5,654</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,173	9,137
CREDITORS			
Amounts falling due after more than one year	15	-	100
NET ASSETS		<u>10,173</u>	<u>9,037</u>
CAPITAL AND RESERVES			
Called up share capital	17	10	10
Retained earnings	18	<u>10,163</u>	<u>9,027</u>
SHAREHOLDERS' FUNDS		<u>10,173</u>	<u>9,037</u>

The financial statements were approved by the Board of Directors and authorised for issue on 17/8/2023 and were signed on its behalf by:


D Thompson - Director

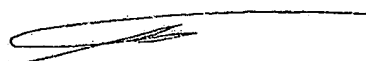
The notes form part of these financial statements

GCH Farms Holdings Limited (Registered number: 09068010)Company Balance Sheet5 November 2022

	Notes	2022 £'000	2021 £'000
CURRENT ASSETS			
Cash at bank		<u>10</u>	<u>10</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10</u>	<u>10</u>
CAPITAL AND RESERVES			
Called up share capital	17	<u>10</u>	<u>10</u>
SHAREHOLDERS' FUNDS		<u>10</u>	<u>10</u>
Company's profit for the financial year		<u>-</u>	<u>-</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 17/8/2023 and were signed on its behalf by:



.....
D Thompson - Director

GCH Farms Holdings LimitedConsolidated Statement of Changes in Equity
for the Period 7 November 2021 to 5 November 2022

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2020	10	6,790	6,800
Changes in equity			
Total comprehensive income	-	2,237	2,237
Balance at 6 November 2021	10	9,027	9,037
Changes in equity			
Total comprehensive income	-	1,136	1,136
Balance at 5 November 2022	10	10,163	10,173

The notes form part of these financial statements

GCH Farms Holdings LimitedCompany Statement of Changes in Equity
for the Period 7 November 2021 to 5 November 2022

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 November 2020	10	-	10
Changes in equity			
Balance at 6 November 2021	10	-	10
Changes in equity			
Balance at 5 November 2022	10	-	10

The notes form part of these financial statements

GCH Farms Holdings LimitedConsolidated Cash Flow Statement
for the Period 7 November 2021 to 5 November 2022

		Period 7.11.21 to 5.11.22 £'000	Period 1.11.20 to 6.11.21 £'000
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	977	2,714
Interest element of hire purchase payments paid		-	(14)
Interest in associate		36	337
Tax paid		(390)	(173)
Net cash from operating activities		<u>623</u>	<u>2,864</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(2,273)
Sale of tangible fixed assets		-	348
Share of associate (profits)/losses		-	(337)
Purchase of share in associates		-	(19)
Sale of share in associates		-	641
Interest received		58	(55)
Dividends received		-	-
Distributions received - associates		<u>182</u>	<u>117</u>
Net cash from investing activities		<u>240</u>	<u>(1,578)</u>
Cash flows from financing activities			
Capital repayments in year		(257)	(314)
Interest paid		<u>(8)</u>	<u>(17)</u>
Net cash from financing activities		<u>(265)</u>	<u>(331)</u>
Increase in cash and cash equivalents		<u>598</u>	<u>955</u>
Cash and cash equivalents at beginning of period	2	<u>4,289</u>	<u>3,334</u>
Cash and cash equivalents at end of period	2	<u><u>4,887</u></u>	<u><u>4,289</u></u>

The notes form part of these financial statements

GCH Farms Holdings LimitedNotes to the Consolidated Cash Flow Statement
for the Period 7 November 2021 to 5 November 2022**1. RECONCILIATION OF PROFIT FOR THE FINANCIAL PERIOD TO CASH GENERATED FROM OPERATIONS**

	Period 7.11.21 to 5.11.22 £'000	Period 1.11.20 to 6.11.21 £'000
Profit for the financial period	1,136	2,237
Depreciation charges	403	337
Loss/(Profit) on disposal of fixed assets	17	(25)
(Gain)/loss on revaluation of investments	(152)	65
Profit on disposal of share in associate	-	(279)
Finance costs	8	17
Finance income	(58)	(282)
Taxation	<u>367</u>	<u>295</u>
	1,721	2,365
Decrease/(increase) in stocks	531	(720)
Decrease in trade and other debtors	777	1,107
Decrease in trade and other creditors	<u>(2,052)</u>	<u>(38)</u>
Cash generated from operations	<u><u>977</u></u>	<u><u>2,714</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 5 November 2022

	5.11.22 £'000	7.11.21 £'000
Cash and cash equivalents	<u><u>4,887</u></u>	<u><u>4,289</u></u>

Period ended 6 November 2021

	6.11.21 £'000	1.11.20 £'000
Cash and cash equivalents	<u><u>4,289</u></u>	<u><u>3,334</u></u>

The notes form part of these financial statements

GCH Farms Holdings LimitedNotes to the Consolidated Cash Flow Statement
for the Period 7 November 2021 to 5 November 2022

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 7.11.21 £'000	Cash flow £'000	At 5.11.22 £'000
Net cash			
Cash at bank	<u>4,289</u>	<u>598</u>	<u>4,887</u>
	<u>4,289</u>	<u>598</u>	<u>4,887</u>
Debt			
Finance leases	(357)	257	(100)
Debts falling due within 1 year	100	(100)	-
Debts falling due after 1 year	<u>(100)</u>	<u>100</u>	<u>-</u>
	<u>(357)</u>	<u>257</u>	<u>(100)</u>
Total	<u>3,932</u>	<u>855</u>	<u>4,787</u>

The notes form part of these financial statements

GCH Farms Holdings Limited

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

1. **STATUTORY INFORMATION**

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

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

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

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

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

Associates and joint ventures

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

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

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

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

Critical accounting judgements and key sources of estimation uncertainty

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 regard 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 provisions

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

GCH Farms Holdings Limited

Notes to the Consolidated 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 group and the turnover can be reliably measured. Turnover is measured as the fair value of consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sales of goods

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

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from 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 Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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:

Plant and machinery - 4 years straight line and 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 Consolidated Statement of Comprehensive Income.

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. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Group's Consolidated Statement of Comprehensive Income.

GCH Farms Holdings LimitedNotes to the Consolidated Financial Statements - continued
for the Period 7 November 2021 to 5 November 2022**2. ACCOUNTING POLICIES - continued****Financial instruments**

The Group enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially at the present value of future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

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

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

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

GCH Farms Holdings Limited

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

2. ACCOUNTING POLICIES - continued

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

Foreign currencies

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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 three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including other loans, are measured initially at fair value, net of transaction cost, and are measured subsequently at amortised cost using the effective interest method.

GCH Farms Holdings LimitedNotes to the Consolidated Financial Statements - continued
for the Period 7 November 2021 to 5 November 2022**2. ACCOUNTING POLICIES - continued****Going concern**

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The directors believe the group is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

3. TURNOVER

The whole of the turnover is attributable to farming.

All turnover arose within the United Kingdom.

4. EMPLOYEES AND DIRECTORS

The group and company have no employees other than directors, who did not receive any remuneration (2021: Nil).

5. OPERATING PROFIT

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

	Period 7.11.21 to 5.11.22 £'000	Period 1.11.20 to 6.11.21 £'000
Depreciation - owned assets	340	98
Depreciation - assets on hire purchase contracts	63	239
Loss/(Profit) on disposal of fixed assets	17	(268)
Operating lease rentals	<u>485</u>	<u>387</u>

6. AUDITORS' REMUNERATION

	Period 7.11.21 to 5.11.22 £'000	Period 1.11.20 to 6.11.21 £'000
Fees payable to the company's auditors for the audit of the company's financial statements	23	21
Other non-audit services	<u>4</u>	<u>3</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 7.11.21 to 5.11.22 £'000	Period 1.11.20 to 6.11.21 £'000
Loan interest	-	3
Hire purchase	<u>8</u>	<u>14</u>
	<u>8</u>	<u>17</u>

GCH Farms Holdings LimitedNotes to the Consolidated Financial Statements - continued
for the Period 7 November 2021 to 5 November 2022**8. 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 £'000	Period 1.11.20 to 6.11.21 £'000
Current tax:		
UK corporation tax	295	295
Adjustments in respect of prior periods	<u>72</u>	<u>-</u>
Tax on profit	<u>367</u>	<u>295</u>

UK corporation tax was charged at 19%.

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.

Reconciliation of total tax charge included in profit and loss

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

	Period 7.11.21 to 5.11.22 £'000	Period 1.11.20 to 6.11.21 £'000
Profit before tax	<u>1,504</u>	<u>2,532</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	286	481
Effects of:		
Expenses not deductible for tax purposes	9	(22)
Adjustments to tax charge in respect of previous periods	<u>72</u>	<u>(164)</u>
Total tax charge	<u>367</u>	<u>295</u>

9. INDIVIDUAL INCOME STATEMENT

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

GCH Farms Holdings LimitedNotes to the Consolidated Financial Statements - continued
for the Period 7 November 2021 to 5 November 202210. **TANGIBLE FIXED ASSETS****Group**

	Plant and machinery £'000
COST	
At 7 November 2021	3,659
Disposals	<u>(17)</u>
At 5 November 2022	<u>3,642</u>
DEPRECIATION	
At 7 November 2021	599
Charge for period	<u>403</u>
At 5 November 2022	<u>1,002</u>
NET BOOK VALUE	
At 5 November 2022	<u>2,640</u>
At 6 November 2021	<u>3,060</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows: 2022 £189,642 (2021: £597,194).

GCH Farms Holdings LimitedNotes to the Consolidated Financial Statements - continued
for the Period 7 November 2021 to 5 November 2022**11. FIXED ASSET INVESTMENTS****Group**

	Interest in associate £'000	Unlisted investments £'000	Totals £'000
COST			
At 7 November 2021	393	30	423
Share of profit/(loss)	(36)	-	(36)
Impairments	-	(30)	(30)
Reversal of impairments	182	-	182
Dividends received	(182)	-	(182)
At 5 November 2022	<u>357</u>	<u>-</u>	<u>357</u>
NET BOOK VALUE			
At 5 November 2022	<u>357</u>	<u>-</u>	<u>357</u>
At 6 November 2021	<u>393</u>	<u>30</u>	<u>423</u>

Participating interests**Associates**

Name	Registered Office	Class of Shares	Holding	Principal activity
Littleport Mushrooms Farms LLP	United Kingdom	Designated Member	21.675%	Mushroom farming

At 5 November 2022, the aggregate of capital and reserves of Littleport Mushrooms Farms LLP was £1,780,757 (2021: 2,684,783) and the loss for the period then ended was £163,093 (2021: profit of £867,804).

Company

	Shares in group undertaking £
COST	
At 7 November 2021 and 5 November 2022	<u>2</u>
NET BOOK VALUE	
At 5 November 2022	<u>2</u>
At 6 November 2021	<u>2</u>

GCH Farms Holdings LimitedNotes to the Consolidated Financial Statements - continued
for the Period 7 November 2021 to 5 November 2022**11. FIXED ASSET INVESTMENTS - continued**

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

Subsidiaries**GCH Mushrooms Limited**

Registered office: United Kingdom

Nature of business: Investment holding company

Class of shares:	%
Ordinary	holding 100.00

GCH Growers Limited

Registered office: United Kingdom

Nature of business: Farming

Class of shares:	%
Ordinary	holding 100.00

12. STOCKS

	Group	
	2022	2021
	£'000	£'000
Work-in-progress	8	-
Finished goods	<u>1,757</u>	<u>2,296</u>
	<u>1,765</u>	<u>2,296</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2022	2021
	£'000	£'000
Trade debtors	902	1,131
Other debtors	1,405	1,292
VAT	-	473
Prepayments and accrued income	<u>2</u>	<u>190</u>
	<u>2,309</u>	<u>3,086</u>

GCH Farms Holdings LimitedNotes to the Consolidated Financial Statements - continued
for the Period 7 November 2021 to 5 November 2022**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group	
	2022	2021
	£'000	£'000
Hire purchase contracts (see note 16)	100	257
Trade creditors	1,266	3,019
Tax	253	276
VAT	13	-
Other creditors	18	247
Accrued expenses	<u>135</u>	<u>218</u>
	<u><u>1,785</u></u>	<u><u>4,017</u></u>

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

	Group	
	2022	2021
	£'000	£'000
Hire purchase contracts (see note 16)	<u>-</u>	<u>100</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2022	2021
	£'000	£'000
Net obligations repayable:		
Within one year	100	257
Between one and five years	<u>-</u>	<u>100</u>
	<u><u>100</u></u>	<u><u>357</u></u>

Group

	Non-cancellable operating leases	
	2022	2021
	£'000	£'000
Within one year	<u>31</u>	<u>51</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£'000	£'000
6,000	Ordinary A, B, C (2,000 each class)	£1	6	6
4,000	Ordinary D	£1	<u>4</u>	<u>4</u>
			<u><u>10</u></u>	<u><u>10</u></u>

GCH Farms Holdings Limited

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

17. **CALLED UP SHARE CAPITAL - continued**

All ordinary shares carry voting rights of one vote per share and rank pari passu.

18. **RESERVES**

Group	Retained earnings £'000
At 7 November 2021	9,027
Profit for the period	<u>1,137</u>
At 5 November 2022	<u>10,164</u>

19. **RELATED PARTY DISCLOSURES**

Entities with control, joint control or significant influence over the entity	2022 £'000	2021 £'000
Sales and recharges	7,401	6,291
Purchases	358	113
Amount due from related party	902	402
Amount due to related party	<u>2</u>	<u>5</u>

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

Key management personnel of the group are remunerated through other connected entities which do not form part of this consolidation.

20. **ULTIMATE CONTROLLING PARTY**

There is no ultimate controlling party.