



Company registration number 13418782 (England and Wales)

K J CHERRY HOLDINGS LIMITED
GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023



K J CHERRY HOLDINGS LIMITED

COMPANY INFORMATION

Directors	A Cherry P J Cherry J Whitaker C Cherry
Secretary	K J Matthews
Company number	13418782
Registered office	Twyford Banbury Oxfordshire United Kingdom OX17 3AA
Auditor	Ellacotts Audit Services Limited Countrywide House 23 West Bar Banbury Oxfordshire England OX16 9SA



K J CHERRY HOLDINGS LIMITED

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K J CHERRY HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2023

The directors present their strategic report for the year ended 30 June 2023.

Fair review of the business

The principal activity of the Company is that of a holding company. The business review for each of its subsidiaries is shown below.

Cherwell Valley Silos Limited

The principal activities of the Company are the processing and sale of cooked oilseed products, and grain trading.

The Company had a better trading performance compared to the last financial year and shows an operating profit of £685k compared to an operating profit of £566k in the previous year. In 2021/22 the Company's commercial property was transferred to Cherwell Valley Business Park Limited. The reported profit in 2021/22 includes a contribution from the Commercial Property division of £170k, so year on year the core business profitability has increased by £289k.

The Company is in a strong financial position and retains support from its bankers.

The Board of Directors regularly reviews the Company's exposure to various risks and uncertainties inherent within the business. The principal risks and uncertainties faced by the Company are movement in commodity prices and changes in the bank Base Rate.

The Company reduces the commodity price movement risk by hedging on the futures markets. It is also exposed to some interest rate risk on its non-fixed bank facilities, which are regularly reviewed by the Board of Directors. 'Liquidity' risk is managed by maintaining a balance between the continuity and flexibility of funding through the Company's loan and invoice discounting facilities, which ensures that there are sufficient funds for ongoing operations. The Company minimises its exposure to credit risk by ensuring its debtors are well managed.

The Company is optimistic for ongoing success in the future, and continues to focus on developing its property assets, growth of its core business and tight control of operational costs.

K J Cherry & Sons Limited

The principal activity of the Company is land management and farming.

The Company ceased to farm its tenanted, arable, land in August 2018. Since then the Company has disposed of its arable farming equipment and has focussed on its remaining grassland farm - mainly in Government environmental schemes. During the period, the Company received planning permission for a 3.2 megawatt solar park, and is in the process of building phase 1 of the project.

The results show an improved year-on-year performance, ignoring the profit on disposal of land in 2021/22. The Company showed an operational loss in 2023.

The Board of Directors regularly reviews the Company's exposure to various risks and uncertainties inherent within the business. The principal risks and uncertainties faced by the Company are future subsidy arrangements in the UK and the weather. The significant reduction in arable output from the farm means commodity prices are no longer a significant risk factor.

The Board of Directors do not consider the Company to have any significant exposure to interest rate risk or liquidity risk as the Company has no bank debt with financing requirements being provided by its subsidiary company, Cherwell Valley Silos Limited.

There are no significant individual customers, and as such the Board of Directors does not consider the Company to have any exposure to credit risk.



K J CHERRY HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

The Board of Directors do not consider the Company to have any significant exposure to interest rate risk or liquidity risk as the Company has no bank debt with all financing requirements being provided by its subsidiary company, Cherwell Valley Silos Limited.

The Company mainly trades with its subsidiary company, Cherwell Valley Silos Limited, and as such the Board of Directors does not consider the Company to have any exposure to credit risk.

By order of the board

K J Matthews
Secretary

5 March 2024



K J CHERRY HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023

The directors present their annual report and financial statements for the year ended 30 June 2023.

Results and dividends

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

Ordinary dividends were paid amounting to £48,192. The directors do not recommend payment of a further dividend.

Directors

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

A Cherry
P J Cherry
J Whitaker
C Cherry

Auditor

The auditor, Ellacotts Audit Services Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 group and company, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



K J CHERRY HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

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 auditor of the company 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 auditor of the company is aware of that information.

By order of the board

K J Matthews
Secretary

5 March 2024



K J CHERRY HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF K J CHERRY HOLDINGS LIMITED

Opinion

We have audited the financial statements of KJ Cherry Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2023 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for 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 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

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 group's and 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.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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



K J CHERRY HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF K J CHERRY HOLDINGS LIMITED

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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

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 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 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.

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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also performed the following procedures:

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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



K J CHERRY HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF K J CHERRY HOLDINGS LIMITED

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.

Charlotte Toemaes BSc FCA (Senior Statutory Auditor)
For and on behalf of Ellacotts Audit Services Limited

Chartered Accountants
Statutory Auditor
Countrywide House
23 West Bar
Banbury
Oxfordshire
England
OX16 9SA

7 March 2024



K J CHERRY HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	2022 £
Turnover	3	30,261,687	25,533,458
Cost of sales		(28,410,917)	(23,530,471)
Gross profit		<u>1,850,770</u>	<u>2,002,987</u>
Administrative expenses		(1,202,991)	(1,477,622)
Exceptional item	4	-	290,362
Operating profit	5	<u>647,779</u>	<u>815,727</u>
Interest receivable and similar income	9	6,818	242
Interest payable and similar expenses	10	(24,401)	(59,314)
Profit before taxation		<u>630,196</u>	<u>756,655</u>
Tax on profit	11	(44,965)	(138,633)
Profit for the financial year		<u><u>585,231</u></u>	<u><u>618,022</u></u>

Profit for the financial year is all attributable to the owners of the parent company.



K J CHERRY HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	2023 £	2022 £
Profit for the year	585,231	618,022
Other comprehensive income		
Revaluation of tangible fixed assets	-	496,283
Cash flow hedges (loss)/gain arising in the year	(133,143)	267,430
Other comprehensive income for the year	(133,143)	763,713
Total comprehensive income for the year	452,088	1,381,735

Total comprehensive income for the year is all attributable to the owners of the parent company.



K J CHERRY HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 30 JUNE 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		2,032,588		1,646,092
Current assets					
Stocks	16	652,509		977,289	
Debtors	17	5,809,432		5,556,923	
Investments	18	1		1	
Cash at bank and in hand		1,560,552		1,399,697	
		8,022,494		7,933,910	
Creditors: amounts falling due within one year	21	(3,109,677)		(2,912,040)	
Net current assets			4,912,817		5,021,870
Total assets less current liabilities			6,945,405		6,667,962
Creditors: amounts falling due after more than one year	22		(247,413)		(367,050)
Provisions for liabilities					
Deferred tax liability	27	21,246		28,062	
			(21,246)		(28,062)
Net assets			6,676,746		6,272,850
Capital and reserves					
Called up share capital	26		2,008		2,008
Revaluation reserve			3,149,193		3,149,193
Hedging reserve			139,471		272,614
Other reserves			28,124		28,124
Profit and loss reserves			3,357,950		2,820,911
Total equity			6,676,746		6,272,850

The financial statements were approved by the board of directors and authorised for issue on 5 March 2024 and are signed on its behalf by:

A Cherry
Director

Company registration number 13418782 (England and Wales)



K J CHERRY HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 30 JUNE 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Investments	14		25,100		25,100
Current assets					
Debtors	17	2,008		2,008	
Net current assets			2,008		2,008
Net assets			27,108		27,108
Capital and reserves					
Called up share capital	26		2,008		2,008
Other reserves			25,100		25,100
Total equity			27,108		27,108

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £48,192 (2022 - £48,192 profit).

The financial statements were approved by the board of directors and authorised for issue on 5 March 2024 and are signed on its behalf by:

A Cherry
Director

Company registration number 13418782 (England and Wales)



K J CHERRY HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Share capital	Revaluation reserve	Hedging reserve	Sinking Fund	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
Balance at 25 May 2021	25,100	3,030,268	5,184	3,024	2,156,623	5,220,199
Year ended 30 June 2022:						
Profit for the year	-	-	-	-	618,022	618,022
Other comprehensive income:						
Revaluation of tangible fixed assets	-	496,283	-	-	-	496,283
Cash flow hedges gains	-	-	267,430	-	-	267,430
Total comprehensive income	-	496,283	267,430	-	618,022	1,381,735
Issue of share capital	2,008	-	-	-	-	2,008
Dividends	-	-	-	-	(96,384)	(96,384)
Transfers	(25,100)	-	-	25,100	-	-
Other movements	-	(377,358)	-	-	142,650	(234,708)
Balance at 30 June 2022	2,008	3,149,193	272,614	28,124	2,820,911	6,272,850
Year ended 30 June 2023:						
Profit for the year	-	-	-	-	585,231	585,231
Other comprehensive income:						
Cash flow hedges gains	-	-	(133,143)	-	-	(133,143)
Total comprehensive income	-	-	(133,143)	-	585,231	452,088
Dividends	-	-	-	-	(48,192)	(48,192)
Balance at 30 June 2023	2,008	3,149,193	139,471	28,124	3,357,950	6,676,746



K J CHERRY HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

		Share capital	Sinking Fund	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 25 May 2021		-	-	-	-
Year ended 30 June 2022					
Profit and total comprehensive income for the year		-	-	48,192	48,192
Issue of share capital	26	2,008	-	-	2,008
Dividends	12	-	-	(48,192)	(48,192)
Transfers		-	25,100	-	25,100
Balance at 30 June 2022		2,008	25,100	-	27,108
Year ended 30 June 2023:					
Profit and total comprehensive income for the year		-	-	48,192	48,192
Dividends	12	-	-	(48,192)	(48,192)
Balance at 30 June 2023		2,008	25,100	-	27,108



K J CHERRY HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	32	945,781	1,054,019
Interest paid		(24,401)	(59,314)
Income taxes paid		(129,789)	(83,836)
Net cash inflow from operating activities		<u>791,591</u>	<u>910,869</u>
Investing activities			
Purchase of tangible fixed assets		(458,961)	(87,557)
Proceeds from disposal of tangible fixed assets		1,600	296,529
Interest received		6,818	242
Net cash (used in)/generated from investing activities		<u>(450,543)</u>	<u>209,214</u>
Financing activities			
Repayment of bank loans		(100,000)	(81,314)
Payment of finance leases obligations		(25,401)	(34,582)
Dividends paid to equity shareholders		(48,192)	(96,384)
Net cash used in financing activities		<u>(173,593)</u>	<u>(212,280)</u>
Net increase in cash and cash equivalents		<u>167,455</u>	<u>907,803</u>
Cash and cash equivalents at beginning of year		1,215,012	307,209
Cash and cash equivalents at end of year		<u><u>1,382,467</u></u>	<u><u>1,215,012</u></u>
Relating to:			
Cash at bank and in hand		1,560,552	1,399,697
Bank overdrafts included in creditors payable within one year		<u>(178,085)</u>	<u>(184,685)</u>



K J CHERRY HOLDINGS LIMITED
COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Investing activities					
Dividends received		48,192		-	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) investing activities			48,192		-
Financing activities					
Dividends paid to equity shareholders		(48,192)		-	
		<u> </u>		<u> </u>	
Net cash used in financing activities			(48,192)		-
Net increase in cash and cash equivalents			-		-
Cash and cash equivalents at beginning of year			-		-
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u> </u>		<u> </u>



K J CHERRY HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

Company information

KJ Cherry Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Twyford, Banbury, Oxfordshire, United Kingdom, OX17 3AA. .

The group consists of KJ Cherry Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

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

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

On 18 March 2022, a group reconstruction took place in which KJ Cherry Holdings Limited became the parent Company of K J Cherry & Sons Limited. This has been accounted for using the merger accounting method.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company KJ Cherry Holdings Limited together with all entities controlled by the parent company (its subsidiaries.)

All financial statements are made up to 30 June 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £nil.



K J CHERRY HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.4 Going concern

The group meets its day to day working capital requirements through an overdraft and invoice discounting facility provided by NatWest/RBS, who have been the group's bankers for many years and with whom the group have a solid and close working relationship.

The group's forecasts show that it can operate within the level of its current bank facilities. The Directors therefore believe that the group has sufficient resources to continue its various operations and, as a result, the Directors continue to adopt the 'going concern' basis of accounting in preparing the annual financial statements.

1.5 Turnover

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

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

1.6 Tangible fixed assets

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

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Land is stated at cost or valuation.

Individual freehold property is revalued on a regular basis with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account.

Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings freehold	2-10% straight line on buildings and nil on land
Plant and equipment	10% to 20% straight line
Fixtures and fittings	10% to 20% straight line
Motor vehicles	15% to 20% straight line

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 recognised in the profit and loss account.



K J CHERRY HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

1.8 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

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

1.9 Stocks

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

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



K J CHERRY HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

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

1.11 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group 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.



K J CHERRY HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

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 group after deducting all of its liabilities.

Basic financial liabilities

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

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.12 Equity instruments

Equity instruments issued by the group 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 group.



K J CHERRY HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.13 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting

The company has entered into futures contracts to manage its exposure to commodity price changes in relation to forward contract commodities. These derivatives are measured at each reporting date. To the extent the hedge is effective, movements in fair value are recognised in Other Comprehensive Income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in the Profit and Loss Account for the period.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.14 Taxation

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

Current tax

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

Deferred tax

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

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

1.15 Employee benefits

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

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

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



K J CHERRY HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.16 Retirement benefits

The group operates a defined contribution pension scheme for employees. The assets of the schemes are held separately from those of the group. The annual contributions payable are charged to the profit and loss account.

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful lives of property, plant and equipment

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the company's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives change then depreciated charges in the financial statements would be amended and carrying amounts of property, plant and equipment would also change accordingly.

Inventory

Inventory levels and valuations are constantly reviewed and should there be an indication of impairment or obsolescence the inventory is written down to its assessed net realisable value.



K J CHERRY HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

3 Turnover

	2023 £	2022 £
Turnover analysed by class of business		
Commodities division	17,072,424	15,967,583
Property division	-	413,398
Wholesale of agricultural products	27,402,174	22,704,691
Interdivisional sales	(14,285,405)	(13,613,635)
Farming	72,494	61,421
	<u>30,261,687</u>	<u>25,533,458</u>

In opinion of the directors, less than 1% of the turnover is attributable to markets outside the UK.

4 Exceptional item

	2023 £	2022 £
Expenditure		
Profit on disposal (exceptional)	-	(290,362)
	<u>-</u>	<u>(290,362)</u>

5 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	55,790	188,999
Depreciation of tangible fixed assets held under finance leases	16,675	18,332
(Profit)/loss on disposal of tangible fixed assets	(1,600)	1,389
Operating lease charges	8,337	8,337
	<u>80,192</u>	<u>216,657</u>

6 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company's subsidiaries	16,120	11,700
	<u>16,120</u>	<u>11,700</u>



K J CHERRY HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

7 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
	9	9	-	-
	13	16	-	-
Total	22	25	-	-

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	934,817	791,090	-	-
Social security costs	86,463	56,968	-	-
Pension costs	33,997	30,276	-	-
	1,055,277	878,334	-	-

8 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	123,482	99,798
Company pension contributions to defined contribution schemes	12,103	12,103
	135,585	111,901

As total directors' remuneration is less than £200,000 year, no additional disclosure is provided.

9 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	6,818	242
	6,818	242
Investment income includes the following:		
	2023 £	2022 £
Interest on financial assets not measured at fair value through profit or loss	6,818	242



K J CHERRY HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

10 Interest payable and similar expenses

	2023 £	2022 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	22,737	56,445
Other finance costs:		
Interest on finance leases and hire purchase contracts	1,664	2,869
Total finance costs	24,401	59,314

11 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	51,781	129,789
Adjustments in respect of prior periods	-	(1,480)
Total current tax	51,781	128,309
Deferred tax		
Origination and reversal of timing differences	(6,816)	10,324
Total tax charge	44,965	138,633

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:

	2023 £	2022 £
Profit before taxation	630,196	756,655
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	119,737	143,764
Tax effect of expenses that are not deductible in determining taxable profit	1,998	16,237
Tax effect of income not taxable in determining taxable profit	6,889	(9,156)
Gains not taxable	-	7,596
Unutilised tax losses carried forward	-	222
Adjustments in respect of prior years	-	(1,480)
Effect of change in corporation tax rate	11,447	-
Group relief	(88,290)	-
Permanent capital allowances in excess of depreciation	-	(38,038)
Deferred tax adjustments in respect of prior years	(6,816)	10,324
Dividend income	-	9,164
Taxation charge	44,965	138,633



K J CHERRY HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

12 Dividends

	2023 £	2022 £
Recognised as distributions to equity holders:		
Final paid	48,192	48,192

13 Tangible fixed assets

Group	Land and buildings freehold £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 July 2022	1,641,482	1,950,768	218,699	423,242	4,234,191
Additions	455,111	-	-	3,850	458,961
Disposals	-	-	-	(26,080)	(26,080)
At 30 June 2023	2,096,593	1,950,768	218,699	401,012	4,667,072
Depreciation and impairment					
At 1 July 2022	163,044	1,917,450	212,248	295,357	2,588,099
Depreciation charged in the year	37,550	5,792	3,719	25,404	72,465
Eliminated in respect of disposals	-	-	-	(26,080)	(26,080)
At 30 June 2023	200,594	1,923,242	215,967	294,681	2,634,484
Carrying amount					
At 30 June 2023	1,895,999	27,526	2,732	106,331	2,032,588
At 1 July 2022	1,478,438	33,318	6,451	127,885	1,646,092

The company had no tangible fixed assets at 30 June 2023 or 30 June 2022.

Freehold land and buildings were valued by John Martin and Associates, Chartered Surveyors as at 30 June 2013, on the basis of open market value for existing use.

Included within Freehold Property is £1,053,331 (2022: £1,053,331) of land that is not depreciated.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2023 £	2022 £	Company 2023 £	2022 £
Plant and equipment	92,547	115,144	-	-

If revalued assets were stated on an historical cost basis rather than fair value, the total amounts included would have been as follows:



K J CHERRY HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

13 Tangible fixed assets (Continued)

	2023 £	2022 £
Group		
Cost	745,140	217,778
Accumulated depreciation	(84,337)	(78,198)
Carrying value	660,803	139,580

14 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	15	-	-	25,100	25,100

Movements in fixed asset investments Company

	Shares in subsidiaries £
Cost or valuation	
At 1 July 2022	25,100
Carrying amount	
At 30 June 2023	25,100
At 1 July 2022	25,100

15 Subsidiaries

Details of the company's subsidiaries at 30 June 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
K J Cherry & Sons Limited	England	Ordinary	100.00
Cherwell Valley Silos Limited	England	Ordinary	100.00



K J CHERRY HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

16 Stocks

	Group 2023 £	2022 £	Company 2023 £	2022 £
Raw materials and consumables	318,212	529,054	-	-
Finished goods and goods for resale	334,297	448,235	-	-
	<u>652,509</u>	<u>977,289</u>	<u>-</u>	<u>-</u>

17 Debtors

	Group 2023 £	2022 £	Company 2023 £	2022 £
Amounts falling due within one year:				
Trade debtors	1,961,401	1,404,027	-	-
Unpaid share capital	2,008	2,008	2,008	2,008
Derivative financial instruments	139,471	272,614	-	-
Other debtors	3,237,986	3,484,946	-	-
Prepayments and accrued income	468,566	393,328	-	-
	<u>5,809,432</u>	<u>5,556,923</u>	<u>2,008</u>	<u>2,008</u>

18 Current asset investments

	Group 2023 £	2022 £	Company 2023 £	2022 £
Unlisted investments	1	1	-	-
	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>

19 Financial instruments

	Group 2023 £	2022 £	Company 2023 £	2022 £
Carrying amount of financial assets				
Instruments measured at fair value through profit or loss	139,472	272,615	-	-
	<u>139,472</u>	<u>272,615</u>	<u>-</u>	<u>-</u>



K J CHERRY HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

20 Derivative financial instruments

The group enters into forward contracts to buy or sell commodities. The group hedges against commodity price exposure by trading in commodity futures.

The forward contracts and related hedging instruments are due to complete between July 2023 and June 2024.

Where commodity futures are traded in Euros the group also purchases Euros to hedge against the movement in exchange rates.

The amount (£133,143) (2022: £267,430) has been recognised in other comprehensive income for the year as the movement in the current year.

The net position at the year end was an asset of £139,471 (2022: £272,614)

21 Creditors: amounts falling due within one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans and overdrafts	23	278,085	284,685	-	-
Obligations under finance leases	24	20,038	25,802	-	-
Trade creditors		1,969,900	1,839,258	-	-
Corporation tax payable		51,781	129,789	-	-
Other taxation and social security		36,467	22,320	-	-
Other creditors		24,947	35,451	-	-
Accruals and deferred income		728,459	574,735	-	-
		<u>3,109,677</u>	<u>2,912,040</u>	<u>-</u>	<u>-</u>

The loans are secured by a mortgage debenture over certain assets of the company.

Hire purchase obligations are secured against the relevant tangible fixed assets.

The invoice discounting creditor is secured by way of a fixed and floating charge over the debtors of Cherwell Valley Silos Limited. The invoice discounting creditor is guaranteed by K J Cherry and Sons Ltd, the parent company.

22 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans and overdrafts	23	241,667	341,667	-	-
Obligations under finance leases	24	5,746	25,383	-	-
		<u>247,413</u>	<u>367,050</u>	<u>-</u>	<u>-</u>



K J CHERRY HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

23 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	341,667	441,667	-	-
Bank overdrafts	178,085	184,685	-	-
	<u>519,752</u>	<u>626,352</u>	<u>-</u>	<u>-</u>
Payable within one year	278,085	284,685	-	-
Payable after one year	241,667	341,667	-	-
	<u>241,667</u>	<u>341,667</u>	<u>-</u>	<u>-</u>

The bank loans are secured by a mortgage debenture over certain assets of the group.

24 Finance lease obligations

	Group 2023 £	2022 £	Company 2023 £	2022 £
Future minimum lease payments due under finance leases:				
Within one year	20,038	25,802	-	-
In two to five years	5,746	25,383	-	-
	<u>25,784</u>	<u>51,185</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

25 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	33,997	30,276
	<u>33,997</u>	<u>30,276</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

26 Share capital

Group and company	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Issued and not fully paid				
Ordinary shares of £0.01 each	200,800	200,800	2,008	2,008
	<u>200,800</u>	<u>200,800</u>	<u>2,008</u>	<u>2,008</u>



K J CHERRY HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

27 Deferred taxation

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

	Liabilities 2023 £	Liabilities 2022 £
Group		
Accelerated capital allowances	21,246	28,062
	<u>21,246</u>	<u>28,062</u>

The company has no deferred tax assets or liabilities.

	Group 2023 £	Company 2023 £
Movements in the year:		
Liability at 1 July 2022	28,062	-
Credit to profit or loss	(6,816)	-
	<u>21,246</u>	<u>-</u>
Liability at 30 June 2023	<u>21,246</u>	<u>-</u>

28 Operating lease commitments

Lessee

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

	Group 2023 £	2022 £	Company 2023 £	2022 £
Within one year	10,958	13,770	-	-
Between two and five years	-	10,958	-	-
	<u>10,958</u>	<u>24,728</u>	<u>-</u>	<u>-</u>

29 Controlling party

In the opinion of the directors, there is no ultimate controlling party.

30 Related party transactions

The group has taken advantage of the exemption available under FRS 102 from disclosing transactions with its subsidiary undertakings.

As at 30 June 2023 the group was owed £3,154,333 (2022: £3,463,560) by Cherwell Valley Business Park Limited, a subsidiary company. The loan is interest free and repayable on demand.



K J CHERRY HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

31 Cash absorbed by operations - company

	2023 £	2022 £
Profit for the year after tax	48,192	48,192
Adjustments for:		
Investment income	(48,192)	(48,192)
Cash absorbed by operations	<u>-</u>	<u>-</u>

32 Cash generated from group operations

	2023 £	2022 £
Profit for the year after tax	585,231	618,022
Adjustments for:		
Taxation charged	44,965	138,633
Finance costs	24,401	59,314
Investment income	(6,818)	(242)
(Gain)/loss on disposal of tangible fixed assets	(1,600)	1,389
Depreciation and impairment of tangible fixed assets	72,465	207,331
Movements in working capital:		
Decrease/(increase) in stocks	324,780	(361,366)
(Increase)/decrease in debtors	(385,652)	214,531
Increase in creditors	288,009	176,407
Cash generated from operations	<u>945,781</u>	<u>1,054,019</u>

33 Analysis of changes in net funds - group

	30 June 2022 £	Cash flows £	30 June 2023 £
Cash at bank and in hand	1,399,697	160,855	1,560,552
Bank overdrafts	(184,685)	6,600	(178,085)
	<u>1,215,012</u>	<u>167,455</u>	<u>1,382,467</u>
Borrowings excluding overdrafts	(441,667)	100,000	(341,667)
Obligations under finance leases	(51,185)	25,401	(25,784)
	<u>722,160</u>	<u>292,856</u>	<u>1,015,016</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.