

Company registration number 00575515 (England and Wales)

**ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED**

**TRADING AS NORTH EAST LIVESTOCK SALES**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2022**

**ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED**  
**TRADING AS NORTH EAST LIVESTOCK SALES**  
**COMPANY INFORMATION**

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<b>Directors</b>	C.G. Manners (Chairman) W.A. Curry (Vice-Chairman) H.H. Annett E.J. Davy W.J. Curry M. Jordon N. Hargreave	(Appointed 1 October 2021) (Appointed 1 October 2021)
<b>Secretary</b>	K. Hill S.K. Benson	(Resigned 29 April 2022) (Appointed 24 May 2022)
<b>Company number</b>	00575515	
<b>Registered office</b>	Acklington Auction Market Acklington Morpeth Northumberland NE65 9BU	
<b>Auditor</b>	Greaves West & Ayre 17 Walkergate Berwick-upon-Tweed Northumberland TD15 1DJ	
<b>Bankers</b>	Lloyds 24 Bondgate Within Alnwick Northumberland NE66 1TD	

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**ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED**  
**TRADING AS NORTH EAST LIVESTOCK SALES**  
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**ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED**  
**TRADING AS NORTH EAST LIVESTOCK SALES**  
**DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 JULY 2022***

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The directors present their annual report and financial statements for the year ended 31 July 2022.

**Principal activities**

The principal activity of the company continued to be that of livestock auctioneers, valuers and estate agents.

**Directors**

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

C.G. Manners (Chairman)

W.A. Curry (Vice-Chairman)

H.H. Annett

E.J. Davy

W.J. Curry

M. Jordon

N. Hargreave

(Appointed 1 October 2021)

(Appointed 1 October 2021)

**Auditor**

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Greaves West & Ayre be reappointed as auditor of the company will be put to the Annual General Meeting.

**Statement of directors' responsibilities**

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

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

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

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

**Statement of disclosure to auditor**

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

**Small companies exemption**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

**ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED**  
**TRADING AS NORTH EAST LIVESTOCK SALES**  
**DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 JULY 2022***

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By order of the board

S.K. Benson  
**Secretary**

11 October 2022

**ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED  
TRADING AS NORTH EAST LIVESTOCK SALES  
INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED**

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**Opinion**

We have audited the financial statements of Alnwick Farmers Livestock Auction Company Limited (the 'company') for the year ended 31 July 2022 which comprise the profit and loss account, the balance sheet 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 company's affairs as at 31 July 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

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

**ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED  
TRADING AS NORTH EAST LIVESTOCK SALES  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit.

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.

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

**ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED  
TRADING AS NORTH EAST LIVESTOCK SALES  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED**

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**The extent to which the audit was considered capable of detecting irregularities, including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the livestock auctioneers sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including legislation such as the Companies Act 2006, taxation legislation and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, contacting the entity's solicitor for any details of non-compliance and inspecting current year legal expenditure; and
- identified laws and regulations of particular relevance were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, including any fraud associated with revenue recognition, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- A sample of sellers invoices were agreed to buyer invoices and both were traced through the system
- evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims against the company;
- reviewing correspondence with HMRC and the company's legal advisors;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.



**ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED  
TRADING AS NORTH EAST LIVESTOCK SALES  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED**

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**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Stuart Allister CA (Senior Statutory Auditor)  
For and on behalf of Greaves West & Ayre**

24 October 2022

**Chartered Accountants  
Statutory Auditor**

17 Walkergate  
Berwick-upon-Tweed  
Northumberland  
TD15 1DJ

**ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED**  
**TRADING AS NORTH EAST LIVESTOCK SALES**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 JULY 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>as restated £</b>
<b>Gross profit</b>	578,905	543,596
Administrative expenses	(556,634)	(619,538)
<b>Operating profit/(loss)</b>	22,271	(75,942)
Interest payable and similar expenses	(2,845)	(550)
<b>Profit/(loss) before taxation</b>	19,426	(76,492)
Tax on profit/(loss)	(7,128)	10,695
<b>Profit/(loss) for the financial year</b>	<u>12,298</u>	<u>(65,797)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

**ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED**  
**TRADING AS NORTH EAST LIVESTOCK SALES**  
**BALANCE SHEET**

**AS AT 31 JULY 2022**

		<b>2022</b>		<b>2021</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>as restated</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	<b>5</b>		495,141		524,395
<b>Current assets</b>					
Stocks		7,237		16,532	
Debtors		704,652		1,030,370	
Cash at bank and in hand		2,996		2,614	
		<u>714,885</u>		<u>1,049,516</u>	
<b>Creditors: amounts falling due within one year</b>		<u>(132,197)</u>		<u>(506,679)</u>	
<b>Net current assets</b>			582,688		542,837
<b>Total assets less current liabilities</b>			<u>1,077,829</u>		<u>1,067,232</u>
<b>Provisions for liabilities</b>			(9,443)		(11,144)
<b>Net assets</b>			<u><u>1,068,386</u></u>		<u><u>1,056,088</u></u>
<b>Capital and reserves</b>					
Called up share capital			30,000		30,000
Share premium account			1,770		1,770
Revaluation reserve	<b>8</b>		462,288		462,288
Profit and loss reserves			574,328		562,030
<b>Total equity</b>			<u><u>1,068,386</u></u>		<u><u>1,056,088</u></u>

In accordance with section 444 of the Companies Act 2006, all of the members of the company have consented to the preparation of abridged financial statements pursuant to paragraph 1A of Schedule 1 to the Small Companies and Groups (Accounts and Directors' Report) Regulations (SI 2008/409)(b).

These 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 11 October 2022 and are signed on its behalf by:

C.G. Manners (Chairman)  
**Director**

W.A. Curry (Vice-Chairman)  
**Director**

**Company Registration No. 00575515**

**ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED**  
**TRADING AS NORTH EAST LIVESTOCK SALES**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2022**

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**1 Accounting policies**

**Company information**

Alnwick Farmers Livestock Auction Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Acklington Auction Market, Acklington, Morpeth, Northumberland, NE65 9BU.

**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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

**1.2 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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

**1.3 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

**1.4 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.

**ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED**  
**TRADING AS NORTH EAST LIVESTOCK SALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2022**

**1 Accounting policies**

**(Continued)**

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

Land and buildings Freehold	Straight Line over Thirty Years/Nil
Plant and machinery	20% Reducing Balance
Computer equipment	10% - 25% Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**1.5 Impairment of fixed assets**

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

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

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

**1.6 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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.

**1.7 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.

**ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED**  
**TRADING AS NORTH EAST LIVESTOCK SALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2022**

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**1 Accounting policies**

**(Continued)**

**1.8 Financial instruments**

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

**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.

**Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Basic financial liabilities**

Basic financial liabilities, including creditors, 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.

**1.9 Equity instruments**

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

**1.10 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.

**1.11 Taxation**

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

**ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED**  
**TRADING AS NORTH EAST LIVESTOCK SALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2022**

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**1 Accounting policies**

**(Continued)**

***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 company'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 when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, 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.

**1.13 Leases**

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

**1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED**  
**TRADING AS NORTH EAST LIVESTOCK SALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2022**

**2 Judgements and key sources of estimation uncertainty**

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

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

**2 Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

<b>Analysis of turnover by activity</b>	<b>2022 £</b>	<b>2021 £</b>
Throughput of Mart	15,710,046	15,311,217
Commission earned = Normal	557,736	516,508
Certifying fees	893	1,597
Valuation fees	6,519	-
	565,148	518,105
Trading Sales	194,124	192,900
Belly Clipping	334	1,468
	194,458	194,368
Total Turnover	759,606	712,473

**4 Employees**

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

	<b>2022 Number</b>	<b>2021 Number</b>
Total	22	22



**ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED**  
**TRADING AS NORTH EAST LIVESTOCK SALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**5 Tangible fixed assets**

	Total £
<b>Cost</b>	
At 1 August 2021	875,632
Additions	5,744
	<u>881,376</u>
At 31 July 2022	<u>881,376</u>
<b>Depreciation and impairment</b>	
At 1 August 2021	351,238
Depreciation charged in the year	34,997
	<u>386,235</u>
At 31 July 2022	<u>386,235</u>
<b>Carrying amount</b>	
At 31 July 2022	495,141
	<u><u>495,141</u></u>
At 31 July 2021	<u><u>524,395</u></u>

On transition to FRS102 the company has chosen to revalue its land and buildings up to its fair value, using the exception under FRS102 that this now becomes the deemed cost.

**6 Loans and overdrafts**

	2022 £	2021 £
Bank overdrafts	65,386	444,193
	<u>65,386</u>	<u>444,193</u>
Payable within one year	65,386	444,193
	<u>65,386</u>	<u>444,193</u>

The Bank overdraft is secured by a charges over the company's property.

**7 Finance lease obligations**

The finance lease obligations are secured on the assets to which they relate.

**8 Revaluation reserve**

	2022 £	2021 £
At the beginning and end of the year	462,288	462,288
	<u>462,288</u>	<u>462,288</u>

**ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED**  
**TRADING AS NORTH EAST LIVESTOCK SALES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2022**

**9 Operating lease commitments**

**Lessee**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
	5,066	4,712
	<u>5,066</u>	<u>4,712</u>

**10 Prior period adjustment**

**Reconciliation of changes in equity**

		<b>1 August 2020</b>	<b>31 July 2021</b>
		<b>£</b>	<b>£</b>
<b>Adjustments to prior year</b>			
Inclusion of trading stock	<b>1</b>	9,294	16,532
Corporation tax on adjustments	<b>2</b>	-	(1,375)
		<u>9,294</u>	<u>15,157</u>
Total adjustments		9,294	15,157
Equity as previously reported		1,112,441	1,040,931
		<u>1,121,735</u>	<u>1,056,088</u>
Equity as adjusted			
		<u>9,294</u>	<u>15,157</u>
<b>Analysis of the effect upon equity</b>			
Profit and loss reserves		9,294	15,157
		<u>9,294</u>	<u>15,157</u>

**Reconciliation of changes in loss for the previous financial period**

		<b>2021</b>
		<b>£</b>
<b>Adjustments to prior year</b>		
Inclusion of trading stock	<b>1</b>	7,238
Corporation tax on adjustments	<b>2</b>	(1,375)
		<u>5,863</u>
Total adjustments		5,863
Loss as previously reported		(71,660)
		<u>(65,797)</u>
Loss as adjusted		
		<u>(65,797)</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.