

Company Registration No. 09922979 (England and Wales)

Crop Health And Protection Limited

(A Company Limited By Guarantee)

Financial Statements

For The Year Ended 31 March 2021

CROP HEALTH AND PROTECTION LIMITED
(A COMPANY LIMITED BY GUARANTEE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Crop Health and Protection Limited is a private company limited by guarantee, the liability of its members is limited to £1, incorporated in England and Wales. The registered office is York Biotech Campus, Sand Hutton, York, YO41 1LZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with "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 £1.

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

1.2 Going concern

The directors/members have considered all factors, including in the wider economy, as part of their assessment of going concern. Although the current economic climate creates both cashflow and profitability risks for the company, Government funding has been secured until 31 March 2022. The directors are content that the projects delivered to date meet all of the requirements laid out by the fund providers and given this, and that there is no indication of a change in underlying Government policy, they have no reason to believe that funding, in some form, will not be secured subsequent to the current funding round ending. Therefore, the directors believe on balance that they have sufficient resources to enable trading to continue for a period of at least twelve months from the date of approval of the financial statements, on the basis of the information currently available to them as at the point of approval. Accordingly, these financial statements have been prepared on the going concern basis.

1.3 Income

Income comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts.

As disclosed in Note 1.14, funding is received for certain operating expenditure and is recognised to match the expenditure incurred.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Software	25%- 33% straight line
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1 Accounting policies

(Continued)

1.5 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.

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:

Freehold buildings	6.67% - 10% straight line
Plant and equipment	20% - 25% straight line
Computers	25% straight line

Assets in the course of construction are not depreciated.

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 surplus or deficit.

1.6 Impairment of fixed assets

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

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

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

1.7 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.

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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 and bank loans 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.

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.

1.9 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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1 Accounting policies

(Continued)

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. 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.

1.10 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.

1.11 Retirement benefits

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

1.12 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.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

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.

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1 Accounting policies

(Continued)

1.15 Other reserves - Funding reserve

Funding is provided to Crop Health and Protection Limited by the government as one of the nations four Centres for Agricultural Innovation, these are a key component of the government's current Agri-Tech Strategy. Funding received is credited to the balance sheet according to conditions attaching to the funding.

Where funding is given for capital projects and the probability of clawback by the funder is considered remote it is credited to a funding reserve, on these capital projects any depreciation arising is charged against the funding reserve. Where funding is for operational expenditure it is credited to a deferred income account and released to the income statement as grant income to match the expenditure incurred.

Residual amounts held within the funding reserve are to be retained until such time as any terms and conditions of the funding have been met and funds become freely available for use by the company at which point the appropriate balance would be transferred to the income and expenditure account.

2 Employees

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

	2021	2020
	Number	Number
Total	38	25

3 Intangible fixed assets

	Software
	£
Cost	
At 1 April 2020	437,091
Transfers	2,059,186
At 31 March 2021	2,496,277
Amortisation and impairment	
At 1 April 2020	247,367
Amortisation charged for the year	766,120
At 31 March 2021	1,013,487
Carrying amount	
At 31 March 2021	1,482,790
At 31 March 2020	189,724

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3 Intangible fixed assets

(Continued)

Expenditure of £nil (2020 - £nil) has been incurred in the period on assets purchased using capital funding included in the other reserve. Amortisation of £766,120 (2020 - £93,023) has been charged to the other reserve in respect of these assets.

4 Tangible fixed assets

	Assets under construction £	Land and buildings £	Plant and machinery £	Total £
Cost				
At 1 April 2020	3,911,192	10,240,347	4,145,760	18,297,299
Additions	100,000	59,909	404,534	564,443
Transfers	(2,124,186)	65,000	-	(2,059,186)
At 31 March 2021	1,887,006	10,365,256	4,550,294	16,802,556
Depreciation and impairment				
At 1 April 2020	-	1,328,404	1,867,533	3,195,937
Depreciation charged in the year	-	871,682	821,451	1,693,133
Impairment losses	1,887,006	-	-	1,887,006
At 31 March 2021	1,887,006	2,200,086	2,688,984	6,776,076
Carrying amount				
At 31 March 2021	-	8,165,170	1,861,310	10,026,480
At 31 March 2020	3,911,192	8,911,943	2,278,227	15,101,362

Expenditure of £564,443 (2020 - £500,791) has been incurred in the period on assets purchased using capital funding included in the other reserve. Depreciation of £1,693,133 (2020 - £1,704,504) and impairment of £1,887,006 (2020 - £nil) has been charged to the other reserve in respect of these assets.

More information on impairment movements in the year is given in note .

5 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,473,529	591,560
Other debtors	899,314	256,591
	2,372,843	848,151

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6 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	1,062,622	578,961
Taxation and social security	134,302	88,976
Other creditors	1,178,754	385,013
	<u>2,375,678</u>	<u>1,052,950</u>

7 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:

2021	2020
£	£
115,614	16,292
<u>115,614</u>	<u>16,292</u>

8 Ultimate controlling party

The company is limited by guarantee and consequently does not have share capital. The company is controlled equally by the members.

9 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

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10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Laura Masheder.

The auditor was Garbutt & Elliott Audit Limited.

The audit report was signed on 7 September 2021

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.