

Company registration number 09922979 (England and Wales)

**CROP HEALTH AND PROTECTION LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**  
**PAGES FOR FILING WITH REGISTRAR**

**CROP HEALTH AND PROTECTION LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
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**CROP HEALTH AND PROTECTION LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**BALANCE SHEET**

**AS AT 31 MARCH 2023**

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	4		1		748,476
Tangible assets	5		3,859,951		4,492,074
			<u>3,859,952</u>		<u>5,240,550</u>
<b>Current assets</b>					
Debtors	6	1,334,436		2,903,640	
Cash at bank and in hand		2,143,005		720,459	
		<u>3,477,441</u>		<u>3,624,099</u>	
<b>Creditors: amounts falling due within one year</b>	7	(1,995,090)		(2,013,442)	
<b>Net current assets</b>			<u>1,482,351</u>		<u>1,610,657</u>
<b>Net assets</b>			<u><u>5,342,303</u></u>		<u><u>6,851,207</u></u>
<b>Reserves</b>					
Other reserves			4,123,901		5,926,677
Income and expenditure account			1,218,402		924,530
<b>Members' funds</b>			<u><u>5,342,303</u></u>		<u><u>6,851,207</u></u>

The directors of the company have elected not to include a copy of the income and expenditure account within the financial statements.

These financial statements have been prepared and delivered 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 25 September 2023 and are signed on its behalf by:

Mr. F Black  
**Director**

Dr. P Quinn  
**Director**

**Company Registration No. 09922979**

**CROP HEALTH AND PROTECTION LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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**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 1.34 Chap, Innovation Centre Innovation Way, Heslington, York, England, YO10 5DG.

**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 £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. Government funding has been secured until 31 March 2024 and 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. Furthermore the company still also retains the underlying assets on which the general reserve relates to, therefore providing the company with additional security. 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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**CROP HEALTH AND PROTECTION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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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	5% - 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.

The service potential of asset will also considered where an asset is primarily held for the furtherance of the companies not for profit/social purpose, opposed to simply commercial income and cash generation or operational use, as these are considered to be social benefit assets. On this basis a depreciated/impaird cost is used to reflect the fair value of such social benefit assets.

If the recoverable amount or service potential of an asset is estimated to be less than its carrying amount, the carrying amount of the asset 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.

**CROP HEALTH AND PROTECTION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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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.

**CROP HEALTH AND PROTECTION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
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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.

**CROP HEALTH AND PROTECTION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**1 Accounting policies**

**(Continued)**

**1.14 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 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.

**Key sources of estimation uncertainty**

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

***Useful economic life of fixed assets***

Depreciation policies have been set according to management's experience and judgement of the useful lives of the assets in each category, something which is reviewed annually. As fixed assets form a significant element of the balance sheet, are based on cutting edge agricultural technology and are of a specific and niche nature this estimate is critical and highly uncertain. This is due to the use full economic lives of the assets being hard to ascertain due to a lack of comparable assets to benchmark owing to their unique nature. Management base estimates on technical and expert knowledge of the staff using those assets and by reviewing against similar assets where applicable to obtain a reliable estimate based.

***Impairment and residual value of fixed assets***

Due to the specific and niche nature of the companies fixed assets and due to the assets being held for both future commercial cash flow and future service potential in line with the companies objectives, there is the risk of uncertainty over the carrying value of the assets, and requirement for an impairment. At each year end management review the fixed assets of the company for impairment based on both historic and future looking data, looking at both its commercial use to 3rd parties and its service use to internal and government projects, as well as any potential disposal value.

In the year an impairment of £135,864 (2022 - £3,647,439) was incurred upon managements review owing to material uncertainty around future economic viability.



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**3 Employees**

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Total	49	52

**4 Intangible fixed assets**

	<b>Software</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2022	4,383,282
Additions	162,712
Disposals	(199,134)
At 31 March 2023	4,346,860
<b>Amortisation and impairment</b>	
At 1 April 2022	3,634,805
Amortisation charged for the year	775,324
Impairment losses	135,864
Disposals	(199,134)
At 31 March 2023	4,346,859
<b>Carrying amount</b>	
At 31 March 2023	1
At 31 March 2022	748,476

Expenditure of £162,712 (2022 - £nil) has been incurred in the period on assets purchased using capital funding included in the other reserve. Amortisation of £775,324 (2022 - £734,314) has been charged to the other reserve in respect of these assets. An impairment of £135,864 (2022 - £nil) has been charged to the other reserve in respect of these assets.

**CROP HEALTH AND PROTECTION LIMITED**  
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**FOR THE YEAR ENDED 31 MARCH 2023**

**5 Tangible fixed assets**

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 April 2022	9,965,536	4,552,583	14,518,119
Additions	185,488	441,334	626,822
Disposals	-	(1,746,285)	(1,746,285)
At 31 March 2023	10,151,024	3,247,632	13,398,656
<b>Depreciation and impairment</b>			
At 1 April 2022	6,444,436	3,581,609	10,026,045
Depreciation charged in the year	461,634	538,351	999,985
Eliminated in respect of disposals	-	(1,487,325)	(1,487,325)
At 31 March 2023	6,906,070	2,632,635	9,538,705
<b>Carrying amount</b>			
At 31 March 2023	3,244,954	614,997	3,859,951
At 31 March 2022	3,521,100	970,974	4,492,074

Expenditure of £626,822 (2022 - £5,324) has been incurred in the period on assets purchased using capital funding included in the other reserve. Depreciation of £999,985 (2022 - £1,651,279) and impairment of £nil (2022 - £3,647,439) has been charged to the other reserve in respect of these assets.

**6 Debtors**

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	601,915	1,722,833
Other debtors	732,521	1,180,807
	1,334,436	2,903,640

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

	2023 £	2022 £
Trade creditors	830,928	1,224,136
Taxation and social security	184,969	146,199
Other creditors	979,193	643,107
	1,995,090	2,013,442

**CROP HEALTH AND PROTECTION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**8 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.

**9 Financial commitments, guarantees and contingent liabilities**

One of the assets owned by the company is located on land which is leased, the lease makes provision for make good of the land should the lease not be renewed and the asset removed. Should this happen the cost to clear the asset and restore the land is likely to be significant although there is no materially fair estimate of the actual cost. To date there has been no trigger even which could crystalize this liability.

**10 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:

2023	2022
£	£
67,086	47,610
<u>        </u>	<u>        </u>

**11 Ultimate controlling party**

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

**CROP HEALTH AND PROTECTION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
***FOR THE YEAR ENDED 31 MARCH 2023***

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**12 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 Martin Davey.

The auditor was Azets Audit Services Limited.

The audit report was signed on 11 October 2023

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.