

**Strategic Report, Directors' Report and
Financial Statements for the Year Ended 31 March 2023**
for
J.E. & V.M. Dalton Limited



Stephenson Smart (East Anglia) Limited
Chartered accountants & statutory auditor
22-26 King Street
King's Lynn
Norfolk
PE30 1HJ

**Contents of the Financial Statements
for the Year Ended 31 March 2023**

	Page
Company Information	1
Strategic Report	2
Directors' Report	4
Report of the Independent Auditors	7
Statement of Comprehensive Income	11
Balance Sheet	12
Statement of Changes in Equity	13
Cash Flow Statement	14
Notes to the Financial Statements	15

J.E. & V.M. Dalton Limited

**Company Information
for the Year Ended 31 March 2023**

Directors:

Mr P O Dalton
Mr M J Dalton
Mr R F Fox
Mr P D Fox
Mrs E L Windsor
Mrs R Dalton
Mrs L J Dalton
Mr A J Dalton

Secretary:

Mr M J Dalton

Registered office:

Dalmark House
Eye
Peterborough
Cambridgeshire
PE6 7UD

Registered number:

00507191 (England and Wales)

Auditors:

Stephenson Smart (East Anglia) Limited
Chartered accountants & statutory auditor
22-26 King Street
King's Lynn
Norfolk
PE30 1HJ

**Strategic Report
for the Year Ended 31 March 2023**

The directors present their strategic report for the year ended 31 March 2023.

Review of business

The directors consider the profit achieved on ordinary activities before taxation and the state of the company affairs to be pleasing. The company has had another successful year, increasing a sustainable profit level, which is expected to continue in future years.

The company has seen a growth in turnover of £2,276,721 (14.5%) during the year. An increase in cost of sales of £2,247,369 (18.0%) has resulted in gross profit percentage decreasing to 18.3% from 20.8% in the prior reporting period.

The directors are very proud of the purpose-built facilities constructed over recent years and the growth in trade that this has supported. The company prides itself on the sale of high quality seed with a high quality service.

Results

The profit for the year, after taxation, amounted to £875,150 (2022: £638,207).

The results of the company for the year are set out in the statement of comprehensive income on page 11 of these financial statements.

Principal risks and uncertainties

In common with other businesses in this sector, the most significant risks and uncertainties faced by the company include customer retention, margins and profitability. The company's financial risk management objectives and policies are detailed in the Directors' Report.

Key performance indicators

The company uses a range of performance measures to monitor and manage the business effectively, both financial and non-financial. The key financial performance indicators and their comparatives are as follows:

	31.3.23	31.3.22
Gross profit margin (%)	18.30%	20.77%
Net profit margin (%)	6.11%	5.08%
Current ratio	2.62	2.21

The directors consider sales tonnes and gross profit per tonne to be the key performance indicators of the business. These key performance indicators are commercially sensitive and are closely monitored internally. The net profit margin is also monitored to ensure that overhead costs remain reasonable in the context of activity.

The Balance Sheet remains strong, with shareholders' funds being very close to £10 million.

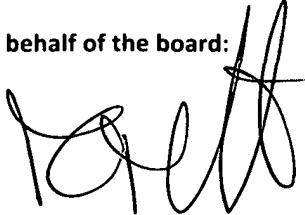
**Strategic Report
for the Year Ended 31 March 2023**

Conclusion

The directors consider the performance of the company to be robust in the context of its' trading environment. They are confident that the performance of the company can be consolidated and will continue to monitor general overhead costs to ensure profitability is commensurate to the level of activity in future years.

The directors remain positive about the business outlook over the next 12 months.

On behalf of the board:

A handwritten signature in black ink, appearing to read 'M J Dalton', written over the text 'On behalf of the board:'.

Mr M J Dalton - Director

24 July 2023

**Directors' Report
for the Year Ended 31 March 2023**

The directors present their report with the financial statements of the company for the year ended 31 March 2023.

Principal activity

The principal activity of the company in the year under review was that of seed merchants. In addition to the sale of seeds, the company offers a range of services to customers including seed growing, cleaning, treating, storage and distribution.

Dividends

No dividends will be distributed for the year ended 31 March 2023.

Research and development

During the year, the company carried out research and development activities in the area of innovative seed treatment trials.

The value of the research and development undertaken during the year equated to £Nil (2022 - £2,896) all of which was eligible for R & D tax relief.

Future developments

The company is looking to maintain the growth of sales, having increased operational capacity due to expansion of the warehouse facilities in recent years. The directors feel that the company has a solid financial base, on which it can build in the coming 12 month period.

Directors

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

Mr P O Dalton
Mr M J Dalton
Mr R F Fox
Mr P D Fox
Mrs E L Windsor
Mrs R Dalton
Mrs L J Dalton
Mr A J Dalton

**Directors' Report
for the Year Ended 31 March 2023**

Financial instruments and financial risk management objectives and policies

The company uses various financial instruments, including loans and cash, and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments are to finance the company's operations and capital projects.

The existence of these financial instruments exposes the company to a number of financial risks which are described in more detail below. The main risks arising from the company's financial instruments are credit risk, currency risk and interest rate risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous years.

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The company is exposed to cash flow interest rate risk on bank overdrafts and loans, though this is minimal. The risk of decreased returns on investments is not material to the business.

Foreign currency risk

The company's principal foreign currency exposures arise from trading with overseas companies. The company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity can involve the use of foreign exchange forward contracts. The company also operates a Euro bank account through which it trades, allowing sales and purchases of currency to be controlled by the directors at advantageous points.

Credit risk

Investments of cash surpluses and borrowings are made through banks and companies which must fulfill credit rating criteria approved by the directors. All companies who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts where necessary.

Qualifying indemnity provision

A qualifying third party indemnity provision was in force for all directors during the period.

Disclosure in the strategic report

In accordance with The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the review of the development and performance of the business, including key performance indicators, is contained in the Strategic Report.

**Directors' Report
for the Year Ended 31 March 2023**

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

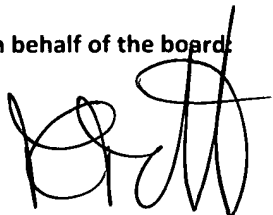
Statement as to disclosure of information to auditors

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

Auditors

The auditors, Stephenson Smart (East Anglia) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board



Mr M J Dalton - Director

24 July 2023

Report of the Independent Auditors to the Members of J.E. & V.M. Dalton Limited

Qualified Opinion

We have audited the financial statements of J.E. & V.M. Dalton Limited (the 'company') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

The financial statements do not comply with the regulations of FRS 102, section 28. The financial statements do not reflect, at fair value, the assets and liabilities arising from the employer's retirement benefit obligations and any related funding. Similarly the cost of scheme contributions have not been spread over the service lives of employees, with variations from regular costs spread over the expected remaining working lives of the current members of the scheme. The information to comply with the regulations of FRS 102, section 28 has not been obtained at the balance sheet date and the balance sheet has not been adjusted to reflect the surplus or deficit of the defined benefit pension scheme. The company is complying with the scheme's advisors regarding the level of future contributions.

In respect solely of the limitation of our work referred to FRS 102, section 28; we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

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 qualified 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.

Report of the Independent Auditors to the Members of J.E. & V.M. Dalton Limited

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Directors' Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the 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.

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to the defined benefit pension scheme, described above:

- we have not obtained all the information and explanations that we considered necessary for the purposes of our audit; and
- we were unable to determine whether adequate accounting records had been kept.

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 strategic report or the directors' report.

We have nothing to report in respect of the following matters where 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 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 Statement of Directors' Responsibilities set out on page six, 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 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.

Report of the Independent Auditors to the Members of J.E. & V.M. Dalton Limited

Auditors' 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 a Report of the Auditors 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:

Discussions with and enquiries of management and those charged with governance were held with a view to identify those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include the UK financial reporting standards, Company Law, Taxation and Pension legislation and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include but are not limited to; health and safety legislation; employment law regulation and compliance with DEFRA requirements.

Audit procedures undertaken in response to the potential risks relating to irregularities (which includes fraud and non-compliance with laws and regulations) comprised of: Inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; testing the appropriate of journal entries; and the performance of analytical review to identify unexpected movement in account balances which may be indicative of fraud.

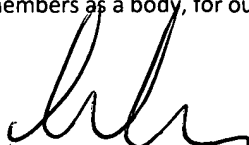
No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than those irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements might not be detected, even though the audit has been planned and performed in accordance with the ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of J.E. & V.M. Dalton 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 a Report of the Auditors 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.



Mr Martyn Benstead FCCA (Senior Statutory Auditor)
for and on behalf of Stephenson Smart (East Anglia) Limited
Chartered accountants & statutory auditor
22-26 King Street
King's Lynn
Norfolk
PE30 1HJ

24 July 2023

J.E. & V.M. Dalton Limited (Registered number: 00507191)

**Statement of Comprehensive Income
for the Year Ended 31 March 2023**

	Notes	31.3.23 £	31.3.22 £
Turnover	4	17,997,174	15,720,453
Cost of sales		(14,702,900)	(12,455,531)
Gross profit		3,294,274	3,264,922
Administrative expenses		(2,241,372)	(2,463,994)
Operating profit	6	1,052,902	800,928
Interest receivable and similar income	8	46,306	(2,684)
		1,099,208	798,244
Interest payable and similar expenses	9	(56)	(81)
Profit before taxation		1,099,152	798,163
Tax on profit	10	(224,002)	(159,956)
Profit for the financial year		875,150	638,207
Other comprehensive income		-	-
Total comprehensive income for the year		875,150	638,207

The notes form part of these financial statements

Balance Sheet
31 March 2023

	Notes	31.3.23 £	31.3.22 £
Fixed assets			
Tangible assets	11	6,329,512	5,429,565
Investments	12	9,800	9,800
		<u>6,339,312</u>	<u>5,439,365</u>
Current assets			
Stocks	13	354,902	380,694
Debtors	14	2,350,466	3,648,386
Cash at bank and in hand	15	3,593,234	3,162,076
		<u>6,298,602</u>	<u>7,191,156</u>
Creditors			
Amounts falling due within one year	16	(2,404,781)	(3,253,932)
		<u>3,893,821</u>	<u>3,937,224</u>
Net current assets			
		<u>3,893,821</u>	<u>3,937,224</u>
Total assets less current liabilities		<u>10,233,133</u>	<u>9,376,589</u>
Provisions for liabilities	19	(274,156)	(292,762)
Net assets		<u>9,958,977</u>	<u>9,083,827</u>
Capital and reserves			
Called up share capital	20	15,000	15,000
Revaluation reserve	21	280,900	287,133
Retained earnings	21	9,663,077	8,781,694
		<u>9,958,977</u>	<u>9,083,827</u>
Shareholders' funds		<u>9,958,977</u>	<u>9,083,827</u>

The financial statements were approved by the Board of Directors and authorised for issue on 24 July 2023 and were signed on its behalf by:



Mr P D Fox - Director



Mr M J Dalton - Director

The notes form part of these financial statements

**Statement of Changes in Equity
for the Year Ended 31 March 2023**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 April 2021	15,000	8,137,225	293,395	8,445,620
Changes in equity				
Total comprehensive income	-	644,469	(6,262)	638,207
Balance at 31 March 2022	<u>15,000</u>	<u>8,781,694</u>	<u>287,133</u>	<u>9,083,827</u>
Changes in equity				
Total comprehensive income	-	881,383	(6,233)	875,150
Balance at 31 March 2023	<u><u>15,000</u></u>	<u><u>9,663,077</u></u>	<u><u>280,900</u></u>	<u><u>9,958,977</u></u>

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 31 March 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	26	1,734,505	1,532,192
Interest paid		(56)	(81)
Tax paid		(118,360)	(117,487)
Net cash from operating activities		<u>1,616,089</u>	<u>1,414,624</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,246,915)	(364,939)
Sale of tangible fixed assets		15,717	45,000
Interest received		46,306	(2,684)
Net cash from investing activities		<u>(1,184,892)</u>	<u>(322,623)</u>
Cash flows from financing activities			
Amount withdrawn by directors		(39)	-
Net cash from financing activities		<u>(39)</u>	<u>-</u>
Increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	27	3,162,076	2,070,075
Cash and cash equivalents at end of year	27	<u><u>3,593,234</u></u>	<u><u>3,162,076</u></u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 March 2023**

1. Statutory information

J.E. & V.M. Dalton Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

Figures are rounded to the nearest whole pound sterling.

2. Statement of compliance

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

3. Accounting policies

Basis of preparing the financial statements

These single entity financial statements and annual report have been prepared on a going concern basis under the historical cost basis, as modified by the revaluation of certain financial assets, liabilities and investment properties measured at fair value through profit or loss.

Preparation of consolidated financial statements

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 402 of the Companies Act 2006 on the basis that its subsidiaries are excluded from consolidation on the grounds that their inclusion is not material for the purpose of giving a true and fair view. The subsidiary is a dormant company.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of tangible assets and note 3 for the useful economic lives for each class of assets.

(ii) Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. See note 20 for the disclosures relating to the deferred tax provision.

Liquid resources

The company classifies liquid resources as debtors and cash at bank and in hand less creditors due within one year, which it attempts to maintain at a level such that working capital can be used effectively.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

3. Accounting policies - continued

Turnover

Turnover in the statement of comprehensive income represents amounts invoiced and accrued during the year, generated through the company's principal activities, net of discounts, VAT and other sales related taxes.

Turnover is measured at the fair value of consideration received or receivable upon the sale of goods and is recognised when the goods have been delivered and title has passed.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- 2% straight line
Plant and machinery	- 20% p.a. reducing balance
Fixtures and fittings	- 20% p.a. reducing balance
Motor vehicles	- 25% p.a. reducing balance
Computer equipment	- 20% p.a. reducing balance

Freehold land is held at cost and deemed cost and is not depreciated.

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

The company has elected to use a previous UK GAAP revaluation as deemed cost at transition, under FRS 102, section 35.10 (d).

An amount equal to the excess of the annual depreciation charge on assets held at deemed cost over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

Other investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Provisions for slow moving or obsolete stocks are made where appropriate.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

3. Accounting policies - continued

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised. 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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

3. **Accounting policies - continued**

Deferred tax

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

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

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

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

The company operates both a defined benefit and defined contribution pension scheme in respect of all those eligible employees who wish to join the scheme. The defined benefit scheme has been closed to new members. The assets of both schemes are held separately from those of the company in independently administered funds.

Contributions to both the defined benefit scheme and the defined contribution scheme are charged to the profit and loss account when incurred.

The company has not complied with the regulations of FRS 102, section 28. The financial statements do not reflect, at fair value, the assets and liabilities arising from the employer's retirement benefit obligations and any related funding. Similarly the cost of scheme contributions have not been spread over the service lives of employees, with variations from regular costs spread over the expected remaining working lives of the current members of the scheme.

The information to comply with the regulations of FRS 102, section 28 has not been obtained at the balance sheet date and the balance sheet has not been adjusted to reflect the surplus or deficit of the defined benefit pension scheme. The company is complying with the scheme's advisors regarding the level of future contributions.

The latest actuarial valuation was carried out at 1 February 2018 and identified an actuarial surplus at that date of £381,000.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

4. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31.3.23	31.3.22
	£	£
Sales of goods	17,997,174	15,720,453
	<u>17,997,174</u>	<u>15,720,453</u>

An analysis of turnover by geographical market is given below:

	31.3.23	31.3.22
	£	£
United Kingdom	16,009,269	13,783,311
Europe	1,987,905	1,937,142
	<u>17,997,174</u>	<u>15,720,453</u>

Turnover is derived from a single class of business and is generated through operations based solely in the United Kingdom.

5. Employees and directors

	31.3.23	31.3.22
	£	£
Wages and salaries	1,688,265	1,801,102
Social security costs	199,009	217,969
Other pension costs	240,513	224,107
	<u>2,127,787</u>	<u>2,243,178</u>

The average number of employees during the year was as follows:

	31.3.23	31.3.22
Production staff	18	16
Administrative staff	10	12
Management staff	8	8
	<u>36</u>	<u>36</u>

	31.3.23	31.3.22
	£	£
Directors' remuneration	702,177	895,132
Directors' pension contributions to money purchase schemes	134,000	121,000
	<u>836,177</u>	<u>1,016,132</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

5. Employees and directors - continued

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	4	4
	<u>4</u>	<u>4</u>

Information regarding the highest paid director is as follows:

	31.3.23	31.3.22
	£	£
Emoluments etc	260,028	394,946
	<u>260,028</u>	<u>394,946</u>

6. Operating profit

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

	31.3.23	31.3.22
	£	£
Depreciation - owned assets	325,697	312,192
Loss/(profit) on disposal of fixed assets	5,554	(1,445)
Foreign exchange differences	(142)	316
Research and development expensed to profit and loss	-	2,896
Operating lease rentals	-	4,521
	<u>-</u>	<u>4,521</u>

Depreciation is charged to both cost of sales and administrative expenses within the Statement of Comprehensive Income.

7. Auditors' remuneration

	31.3.23	31.3.22
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	12,000	10,000
	<u>12,000</u>	<u>10,000</u>

8. Interest receivable and similar income

	31.3.23	31.3.22
	£	£
Interest on cash equivalents	46,185	(3,155)
Other interest received	-	296
Other similar income	121	175
	<u>46,306</u>	<u>(2,684)</u>

Interest receivable is derived from financial assets measured at amortised cost.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

9. Interest payable and similar expenses

	31.3.23	31.3.22
	£	£
Interest on bank loans and overdrafts	56	27
Other interest payable	-	54
	<u>56</u>	<u>81</u>

Interest payable is derived from financial liabilities measured at amortised cost.

10. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.3.23	31.3.22
	£	£
Current tax:		
UK corporation tax	242,608	118,360
Deferred tax	(18,606)	41,596
Tax on profit	<u>224,002</u>	<u>159,956</u>

Reconciliation of total tax charge included in profit and loss

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

	31.3.23	31.3.22
	£	£
Profit before tax	<u>1,099,152</u>	<u>798,163</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	208,839	151,651
Effects of:		
Expenses not deductible for tax purposes	4,418	1,688
Depreciation in excess of capital allowances	10,745	7,332
Research and development gains	-	(715)
Total tax charge	<u>224,002</u>	<u>159,956</u>

Factors that may affect future tax expense

The Finance Bill 2021, published on 11 March 2021, announced that from 1 April 2023 the Corporation Tax main rate for non-ring fenced profits will be increased to 25%, applying to profits over £250,000. Deferred taxes have been calculated at 25%, the substantially enacted rate as at the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

11. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £
Cost			
At 1 April 2022	4,960,557	2,910,278	114,958
Additions	1,101,268	18,843	-
Disposals	-	(968,442)	-
At 31 March 2023	6,061,825	1,960,679	114,958
Depreciation			
At 1 April 2022	565,706	2,063,677	93,063
Charge for year	91,288	171,079	4,380
Eliminated on disposal	-	(960,651)	-
At 31 March 2023	656,994	1,274,105	97,443
Net book value			
At 31 March 2023	5,404,831	686,574	17,515
At 31 March 2022	4,394,851	846,601	21,895
Motor vehicles			
	Motor vehicles £	Computer equipment £	Totals £
At 1 April 2022	287,683	101,387	8,374,863
Additions	121,054	5,750	1,246,915
Disposals	(55,400)	(44,886)	(1,068,728)
At 31 March 2023	353,337	62,251	8,553,050
Depreciation			
At 1 April 2022	139,527	83,325	2,945,298
Charge for year	55,243	3,707	325,697
Eliminated on disposal	(42,110)	(44,696)	(1,047,457)
At 31 March 2023	152,660	42,336	2,223,538
Net book value			
At 31 March 2023	200,677	19,915	6,329,512
At 31 March 2022	148,156	18,062	5,429,565

Included in cost of land and buildings is freehold land of £658,675 (2022 - £658,675) which is not depreciated.

Land and buildings relates to freehold tenure. There are no tangible fixed assets to which the entity has restricted title.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

11. Tangible fixed assets - continued

Included within tangible fixed assets is freehold property included at its existing use value. This value was ascertained externally by Barker Storey Matthews Chartered Surveyors in accordance with RICS Valuation Standards (7th Edition) on 14th August 2012 and amounted to £1,400,000. On the adoption of FRS 102 the directors elected to freeze this valuation, thereby adopting the value as the deemed costs of the asset.

In respect of freehold property held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	31.3.23	31.3.22
	£	£
Aggregate cost	1,039,625	1,039,625
Aggregate depreciation	(209,676)	(190,983)
Carrying value	829,949	848,642

12. Fixed asset investments

	Shares in group undertakings £	Unlisted investments £	Totals £
Cost			
At 1 April 2022 and 31 March 2023	87,800	50	87,850
Provisions			
At 1 April 2022 and 31 March 2023	78,050	-	78,050
Net book value			
At 31 March 2023	9,750	50	9,800
At 31 March 2022	9,750	50	9,800

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

Dalmark Grain Limited

Registered office: Dalmark House, Eye, Peterborough, PE6 7UD

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 97.50

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

13. Stocks	31.3.23	31.3.22
	£	£
Finished goods	354,902	380,694
	<u> </u>	<u> </u>

Stock are stated after provisions of impairment of £41,245 (2022 - £57,634)

14. Debtors: amounts falling due within one year	31.3.23	31.3.22
	£	£
Trade debtors	2,202,028	3,538,019
Staff loans	1,055	3,496
VAT	77,044	57,944
Prepayments	44,744	40,853
Accrued interest receivable	25,595	8,074
	<u> </u>	<u> </u>
	<u>2,350,466</u>	<u>3,648,386</u>

Trade debtors are stated after provisions for impairment of £Nil (2022 - £Nil).

15. Cash at bank and in hand	31.3.23	31.3.22
	£	£
Bank accounts	3,588,156	3,120,674
Euro currency account	5,078	41,296
Cash in hand	-	106
	<u> </u>	<u> </u>
	<u>3,593,234</u>	<u>3,162,076</u>

Included within cash and cash equivalents are balances totalling £2,017,707 (2022 - £1,716,625) which relate to bank deposits with a notice period in excess of 3 months.

16. Creditors: amounts falling due within one year	31.3.23	31.3.22
	£	£
Trade creditors	1,780,312	2,431,162
Corporation tax	242,608	118,360
Social security and other taxes	159,973	122,651
Other creditors	156,588	516,466
Directors' loan accounts	-	38
Accrued expenses	65,300	65,255
	<u> </u>	<u> </u>
	<u>2,404,781</u>	<u>3,253,932</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

17. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.23	31.3.22
	£	£
Within one year	3,804	4,149
Between one and five years	-	3,804
	<u>3,804</u>	<u>7,953</u>

18. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	31.3.23	31.3.22
	£	£
Financial assets that are debt instruments measured at amortised cost	5,796,317	6,703,591
Financial assets that are equity instruments measured at cost less impairment	9,800	9,800
Financial liabilities measured at amortised cost	<u>2,066,866</u>	<u>3,012,883</u>

19. Provisions for liabilities

	31.3.23	31.3.22
	£	£
Deferred tax		
Accelerated capital allowances	247,056	265,662
Other timing differences	27,100	27,100
	<u>274,156</u>	<u>292,762</u>

	Deferred tax
	£
Balance at 1 April 2022	292,762
Credit to Statement of Comprehensive Income during year	<u>(18,606)</u>
Balance at 31 March 2023	<u>274,156</u>

Deferred tax has been calculated at 25% (2022 - 25%) the future rate of taxation.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

20. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.23	31.3.22
		£1	£	£
15,000	Ordinary		15,000	15,000

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

21. Reserves

	Retained earnings	Revaluation reserve	Totals
	£	£	£
At 1 April 2022	8,781,694	287,133	9,068,827
Profit for the year	875,150	-	875,150
Revaluation reserve transfer	6,233	(6,233)	-
At 31 March 2023	9,663,077	280,900	9,943,977

Profit and loss account - This reserve records distributable retained earnings and accumulated losses.

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income. An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

22. Pension commitments

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £240,513 (2022 - £224,107).

At the balance sheet date there were outstanding contributions of £Nil (2022- £Nil).

23. Other financial commitments

The company has a commitment to make two separate payments towards a new shed totalling £27,950 in May and June 2023 (2022 - £17,090 purchase of wheat).

24. Related party disclosures

Key management personnel of the entity or its parent (in the aggregate)

	31.3.23	31.3.22
	£	£
Net transactions	38	60
Amount due to related party	-	38

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

24. **Related party disclosures - continued**

Other related parties

During the year close family of individuals with a significant interest in the company were employed by the company with total remuneration of £89,776 (2022 - £63,083).

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. All key management personnel are remunerated directors', compensation is disclosed within note 5.

25. **Ultimate controlling party**

The company is controlled by The Dalton Family No. 1 Trust which controls 55% of the company's issued share capital.

26. **Reconciliation of profit for the financial year to cash generated from operations**

	31.3.23	31.3.22
	£	£
Profit for the financial year	875,150	638,207
Depreciation charges	325,698	312,192
Loss/(profit) on disposal of fixed assets	5,554	(1,445)
Finance costs	56	81
Finance income	(46,306)	2,684
Taxation	224,002	159,956
	<u>1,384,154</u>	<u>1,111,675</u>
Decrease/(increase) in stocks	25,792	(13,302)
Decrease in trade and other debtors	1,297,920	520,023
Decrease in trade and other creditors	(973,361)	(86,204)
	<u>1,734,505</u>	<u>1,532,192</u>
Cash generated from operations	<u><u>1,734,505</u></u>	<u><u>1,532,192</u></u>

27. **Cash and cash equivalents**

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

Year ended 31 March 2023

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	<u>3,593,234</u>	<u>3,162,076</u>

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	<u>3,162,076</u>	<u>2,070,075</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2023

28. Analysis of changes in net funds

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank and in hand	3,162,076	431,158	3,593,234
	<u>3,162,076</u>	<u>431,158</u>	<u>3,593,234</u>
Total	<u>3,162,076</u>	<u>431,158</u>	<u>3,593,234</u>