

**Registered number: 00431776**

**G. H. Dean & Co. Limited**

**Annual report and financial statements  
for the year ended 30 September 2021**



## **G. H. Dean & Co. Limited**

### **Company information**

<b>Directors</b>	E G Doubleday M W S Bax G L T Reutter
<b>Company secretary</b>	J A Hadlow
<b>Registered number</b>	00431776
<b>Registered office</b>	Hempstead Farm Hempstead Lane Tonge Sittingbourne Kent ME9 9BJ
<b>Independent auditors</b>	Chavereys Chartered Accountants and Statutory Auditors 2 Jubilee Way Faversham Kent ME13 8GD
<b>Trading name</b>	Blackbird Farming
<b>Website</b>	<a href="http://www.blackbirdfarming.co.uk">www.blackbirdfarming.co.uk</a>

## **G. H. Dean & Co. Limited**

	Page
<b>Strategic report</b>	1 - 3
<b>Directors' report</b>	4 - 5
<b>Independent auditors' report</b>	6 - 9
<b>Profit and loss account</b>	10
<b>Balance sheet</b>	11 - 12
<b>Statement of changes in equity</b>	13
<b>Statement of cash flows</b>	14 - 15
<b>Notes to the financial statements</b>	16 - 31

## **G. H. Dean & Co, Limited**

### **Strategic report for the year ended 30 September 2021**

#### **Introduction**

The principal activities of the company during the period were that of growing, storing and marketing of tree fruits and combinable crops along with the production and sale of lambs from our breeding flock. In addition to these main revenue streams, the company continues to develop its estate, including the promotion of land for residential development.

#### **Business review**

##### **Pears**

The 2020 harvest achieved 6,248 bins a 30.22% improvement over the 2019 season bin total of 4,798 bins.

##### **Apples**

The 2020 Gala apple crop achieved 3,405 bins.

##### **Cherries**

The 2021 cherry season was very wet, quality of fruit poor with a low average yield of 5.42 tonnes per hectare after grading. Total yield amounted to 123 tonnes after grading.

##### **Arable**

The 2020 harvest yielded some 6,931 tonnes of grain. Oil seed rape averaged 3.53 tonnes per hectare having been badly affected by Cabbage Stem Flea Beetle. Peas averaged 3.63 tonnes per hectare, with the wheat crop coming in at 7.40 tonnes per hectare.

##### **Sheep**

Finished lamb numbers sent to market were 2,879. The average price per head being £111.00 an increase of 37% above 2020 prices. A warm spring enabled a large number of lambs to finish quicker, all being off farm by mid-August.

##### **Land**

Promotion of land for residential use continues.

#### **Principal risks and uncertainties**

Covid-19 has affected performance through greater costs of PPE, business interruption and the creation of safeguarding measures such as an isolation accommodation block for seasonal staff. Brexit has complicated essential imports for the fruit enterprise such as trees and support materials and the availability of Seasonal Staff.

Basic Payment Scheme direct support payments will be phased out from the winter of 2021 through 2024. The new Environmental Land Management (ELM) scheme remains to be defined.

Farmers will need to cut carbon emissions, create more space for wildlife and make improvements to animal welfare to access government funding now that the UK has left the EU.

## **G. H. Dean & Co. Limited**

### **Strategic report (continued) for the year ended 30 September 2021**

#### **Financial key performance indicators**

Management costings of every harvest by enterprise are produced giving us an historic record of performance and allowing us to adjust our working practices to enhance the business's financial performance.

#### **Arable**

Grain marketing data collected on a weekly basis informs us on the market conditions and proves a useful gauge as to when to make sales.

#### **Fruit**

Historic crop yield data helps to provide future crop predictions. Harvest management costings help to understand the costs of production and where savings can be made.

#### **Sheep**

The annual flock health plan helps plan the year in order that the ewes are in good condition for tupping, an age profile determines the number to be culled/breeding sheep to be purchased. The timeliness of vaccinations and fly treatments to ensure good flock health are all encompassed by the plan which in turn has helped to improve our lambing percentage year on year.

## **G. H. Dean & Co. Limited**

### **Strategic report (continued) for the year ended 30 September 2021**

#### **Financial risk management**

##### **Price**

For fruit we have a long-term relationship with suppliers through our involvement with our Producer Organisation and pre-season prices based on grade out are set.

##### **Credit**

We have solid relationships with our customers and have scheduled payments in place and deal with large established companies.

##### **Liquidity**

We have a good relationship with our bank and have an overdraft facility readily available.

##### **Cashflow**

We take payments on account, we utilise our overdraft facility and monthly cash management. We work constantly in an endeavour to reduce waste and costs.

#### **Environment and sustainability**

We are aware of the increasing emphasis placed on 'natural capital'; land, soils, ecosystems, air and clean water, as agriculture transitions away from current support payments to a system that encourages both the protection of the environment and investment in new technology to improve productivity.

#### **Future developments**

The company has already planted a 10 hectare block of Gala apples and a further 10 hectares of Conference pears during the autumn of 2021. A further 10 hectares of apples are planned for planting in the autumn of 2022 increasing our apple production, gaining a greater share of the market and strengthening our relationship with customers.

The company aims to improve farm facilities, especially in relation to hostel accommodation for casual labour employed for harvest.

Promotion of land for residential development at several locations will continue.

This report was approved by the board and signed on its behalf.



**E G Doubleday**  
Director  
Date:

## **G. H. Dean & Co. Limited**

### **Directors' report for the year ended 30 September 2021**

The directors present their report and the financial statements for the year ended 30 September 2021.

Some items required to be included in the directors' report are set out in the strategic report in accordance with S. 414C(11) Companies Act 2006.

#### **Directors' responsibilities statement**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 for the company's financial statements and then apply them consistently;
- make judgments 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 to 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.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £2,529,526 (2020 - £1,896,259).

The directors agreed that no final dividend will be paid in relation to the year.

#### **Directors**

The directors who served during the year were:

E G Doubleday  
M W S Bax  
G L T Reutter

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

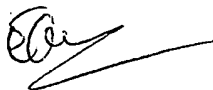
#### **Auditors**

The auditors, Chavereys, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**G. H. Dean & Co. Limited**

**Directors' report (continued)  
for the year ended 30 September 2021**

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'E G Doubleday', with a long horizontal stroke extending to the right.

**E G Doubleday**

Director

Date:



## **G. H. Dean & Co. Limited**

### **Independent auditors' report to the members of G. H. Dean & Co. Limited**

#### **Opinion**

We have audited the financial statements of G. H. Dean & Co. Limited (the 'company') for the year ended 30 September 2021, which comprise the profit and loss account, balance sheet, statement of cash flows, statement of changes in equity and related notes, 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 the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

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

We have nothing to report in this regard.

## **G. H. Dean & Co. Limited**

### **Independent auditors' report to the members of G. H. Dean & Co. Limited (continued)**

#### **Opinion 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 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **G. H. Dean & Co. Limited**

### **Independent auditors' report to the members of G. H. Dean & Co. Limited (continued)**

#### **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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit include:

- to identify and assess the risks of material misstatement of the financial statements due to fraud or error;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error;
- and to respond appropriately to those risks.

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and the sector in which they operate.
- We determined that the following laws and regulations were most significant; Companies Act 2006, UK Corporate Tax laws and other relevant legislation.
- We obtained an understanding of how the company is complying with these legal and regulatory frameworks by making inquiries to the management of the company.
- We corroborated our inquiries through our review of underlying records and third party evidence, as well as through our review of Board minutes.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the company engagement team included:
  - o Identifying and assessing the design-effectiveness of controls management has in place to prevent and detect fraud;
  - o Understanding how those charged with governance considered and addressed the potential override of controls or other inappropriate influence over the financial reporting process;
  - o Challenging assumptions and judgements made by management in its significant accounting estimates;
  - o Identifying and testing journal entries, in particular any journal entries posted as unusual amounts, with unusual account combinations, with unusual descriptions or by irregular individuals; and
  - o Assessing the extent of compliance with the relevant laws and regulations

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

**G. H. Dean & Co. Limited**

**Independent auditors' report to the members of G. H. Dean & Co. Limited (continued)**

**Use of our report**

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



Iain Morris FCA (senior statutory auditor)  
for and on behalf of

**Chavereys**  
Chartered Accountants  
and Statutory Auditors  
Faversham

Date: 27/6/22

**G. H. Dean & Co. Limited**

**Profit and loss account  
for the year ended 30 September 2021**

	Note	2021 £	2020 £
Turnover	4	5,289,926	5,844,973
Cost of sales		(4,657,224)	(5,190,371)
<b>Gross profit</b>		<b>632,702</b>	<b>654,602</b>
Administrative expenses		(1,485,366)	(1,435,299)
Exceptional administrative expenses	11	-	(204,996)
Other operating income		1,072,341	1,020,018
Fair value movements		2,948,591	2,461,567
<b>Operating profit</b>		<b>3,168,268</b>	<b>2,495,892</b>
Income from fixed asset investments		35	330
Amounts written off investments		-	(73)
Interest receivable and similar income		18	83
Interest payable and similar expenses	9	(81,880)	(102,320)
<b>Profit before tax</b>		<b>3,086,441</b>	<b>2,393,912</b>
Tax on profit	10	(556,915)	(497,653)
<b>Profit for the year</b>		<b>2,529,526</b>	<b>1,896,259</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the profit and loss account.

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 16 to 31 form part of these financial statements.

**G. H. Dean & Co. Limited**  
**Registered number:00431776**

**Balance sheet**  
**as at 30 September 2021**


	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	12	16,159,932	16,574,588
Investments	13	30,613	30,613
Investment property	14	23,236,834	20,288,243
		<u>39,427,379</u>	<u>36,893,444</u>
<b>Current assets</b>			
Stocks	15	3,037,085	2,268,714
Debtors: Amounts falling due within one year	16	1,919,796	1,852,683
Cash at bank and in hand	17	493,945	1,100,505
		<u>5,450,826</u>	<u>5,221,902</u>
Creditors: Amounts falling due within one year	18	(2,054,198)	(1,304,755)
<b>Net current assets</b>		<u>3,396,628</u>	<u>3,917,147</u>
<b>Total assets less current liabilities</b>		<u>42,824,007</u>	<u>40,810,591</u>
Creditors: Amounts falling due after more than one year	19	(3,109,670)	(3,982,505)
<b>Provisions for liabilities</b>			
Deferred tax	23	(3,858,177)	(3,300,235)
		<u>(3,858,177)</u>	<u>(3,300,235)</u>
<b>Net assets</b>		<u><u>35,856,160</u></u>	<u><u>33,527,851</u></u>

**G. H. Dean & Co. Limited**  
**Registered number:00431776**

**Balance sheet (continued)**  
**as at 30 September 2021**

	<b>Note</b>	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
<b>Capital and reserves</b>			
Called up share capital	24	<b>42,695</b>	42,695
Capital redemption reserve	25	<b>652</b>	652
Profit and loss account	25	<b>35,812,813</b>	33,484,504
		<b><u>35,856,160</u></b>	<b><u>33,527,851</u></b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**E G Doubleday**  
Director

Date:

The notes on pages 16 to 31 form part of these financial statements.

**G. H. Dean & Co. Limited**

**Statement of changes in equity  
for the year ended 30 September 2021**

	<b>Called up share capital</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£
<b>At 1 October 2019</b>	<b>43,021</b>	<b>326</b>	<b>31,909,768</b>	<b>31,953,115</b>
Profit for the year	-	-	1,896,259	1,896,259
Dividends	-	-	(204,165)	(204,165)
Purchase of own shares	-	326	(117,358)	(117,032)
Shares cancelled during the year	(326)	-	-	(326)
<b>At 1 October 2020</b>	<b>42,695</b>	<b>652</b>	<b>33,484,504</b>	<b>33,527,851</b>
Profit for the year	-	-	2,529,526	2,529,526
Dividends	-	-	(201,217)	(201,217)
<b>At 30 September 2021</b>	<b>42,695</b>	<b>652</b>	<b>35,812,813</b>	<b>35,856,160</b>

The notes on pages 16 to 31 form part of these financial statements.



**G. H. Dean & Co. Limited**

**Statement of cash flows  
for the year ended 30 September 2021**

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	2,529,526	1,896,259
<b>Adjustments for:</b>		
Depreciation of tangible assets	704,431	819,296
Amounts written off unlisted investment	-	73
Loss on disposal of tangible assets	(10,087)	(75,718)
Interest paid	81,880	102,323
Interest received	(53)	(413)
Taxation charge	556,915	497,653
(Increase)/decrease in stocks	(768,372)	112,027
Decrease/(increase) in debtors	1,228	(200,232)
(Decrease)/increase in creditors	(63,171)	173,419
Net fair value (gains) recognised in P&L	(2,948,591)	(2,461,567)
Corporation tax received/(paid)	-	(139,758)
<b>Net cash generated from operating activities</b>	<b>83,706</b>	<b>723,362</b>
<b>Cash flows from investing activities</b>		
Sale of BPS Entitlements	-	650
Purchase of tangible fixed assets	(394,958)	(747,582)
Sale of tangible fixed assets	115,270	817,648
Sale of investment properties	-	247,561
Interest received	18	83
Dividends received	35	330
<b>Net cash from investing activities</b>	<b>(279,635)</b>	<b>318,690</b>
<b>Cash flows from financing activities</b>		
Purchase of ordinary shares	-	(117,358)
Repayment of loans	(52,867)	(58,521)
Repayment of finance leases	(74,667)	(45,563)
Dividends paid	(201,217)	(204,165)
Interest paid	(81,880)	(102,320)
<b>Net cash used in financing activities</b>	<b>(410,631)</b>	<b>(527,927)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(606,560)</b>	<b>514,125</b>
Cash and cash equivalents at beginning of year	1,100,505	586,380

**G. H. Dean & Co. Limited**

**Statement of cash flows (continued)  
for the year ended 30 September 2021**

	2021 £	2020 £
<b>Cash and cash equivalents at the end of year</b>	<b>493,945</b>	<b>1,100,505</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	493,945	1,100,505
	<b>493,945</b>	<b>1,100,505</b>

The notes on pages 16 to 31 form part of these financial statements.

## **G. H. Dean & Co. Limited**

### **Notes to the financial statements for the year ended 30 September 2021**

#### **1. General information**

G.H. Dean & Co. Limited is a private company, limited by shares and incorporated in England. The company also uses the trading name 'Blackbird Farming'.

The address of the registered office is Hempstead Farm, Hempstead Lane, Tonge, Sittingbourne, Kent, ME9 9BJ.

The nature of the company's operations and its principal activities are set out in the strategic report.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in pounds sterling and all values are rounded to the nearest pound (£) except where otherwise indicated

The company has not prepared group accounts as, in the opinion of the directors, the subsidiary companies (dormant) can be excluded from consolidation on the basis that their inclusion is not material for the purpose of giving a true and fair view, S. 405 (2) Companies Act 2006.

##### **2.2 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

###### **Sale of goods**

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

###### **Rental income**

Turnover from rental investment property is recognised on a month by month basis in line with the terms of any relevant agreements with tenants.

## **G. H. Dean & Co. Limited**

### **Notes to the financial statements for the year ended 30 September 2021**

#### **2. Accounting policies (continued)**

##### **2.3 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Tangible fixed assets include biological assets (see accounting policy 2.6).

Orchards and other equipment purchased through Producer Organisations but used by the company are not included in tangible fixed assets.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a straight line or reducing balance basis.

Depreciation is provided on the following bases:

Freehold and leasehold property	- 5% straight line
Plant and machinery	- 5-10% straight line and 5-25% reducing balance
Bulk bins	- 20% straight line
Orchards (biological assets)	- 4-10% straight line
Sheep flock (biological asset)	- carried on a replacement cost basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### **2.4 Investment property**

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

##### **2.5 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **2.6 Biological assets**

Biological assets are living plants or animals controlled by the company from which it expects to derive future economic benefits. These include sheep and orchards, which are measured under the cost model as required by paragraph 34.8 of FRS102.

##### **2.7 Stocks**

Agricultural produce harvested from the company's biological assets is valued at the balance sheet date at the lower of cost and estimated selling price less costs to complete and sell. Arable crops in the field at the year end are stated at the lower of cost and estimated selling price less costs to complete and sell, cost includes all materials, labour and machinery. In the opinion of the directors, these growing crops are not sufficiently developed at the year end to be considered as biological assets. Other stock items are valued at the lower of cost and net realisable value less any provision for impairment.

## **G. H. Dean & Co. Limited**

### **Notes to the financial statements for the year ended 30 September 2021**

#### **2. Accounting policies (continued)**

##### **2.8 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

##### **2.9 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

##### **2.10 Pensions**

###### **Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

##### **2.11 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **2.12 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

## **G. H. Dean & Co. Limited**

### **Notes to the financial statements for the year ended 30 September 2021**

#### **2. Accounting policies (continued)**

##### **2.13 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

##### **2.14 Agricultural support schemes**

Payments received under agricultural support schemes are recognised as income when the company has met all criteria which entitle it to the payments.

Amounts received under the Basic Payment Scheme are recognised on 31 December in the year of claim. No provision has been made for penalties arising from the failure to comply with 'cross compliance' conditions, as defined by the RPA, except for where notification has been received.

#### **3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The company makes certain estimates and judgments regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. In future, actual experience may differ from these estimates. The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

##### *Tangible fixed assets*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining lives of the assets and projected disposal values.

##### *Investment property*

Such properties are included in these accounts at fair value, these values are obtained from a qualified valuer, however there is significant uncertainty in estimating the values.

##### *Stock*

Certain yields are estimated as crop is harvested from the field with adjustment made for drying. Estimation of yields can differ based upon the approach taken, however the directors believe that their approach takes account of waste, economic and environmental factors and gives a value in line with their expectations.

## **G. H. Dean & Co. Limited**

### **Notes to the financial statements for the year ended 30 September 2021**

#### **4. Turnover**

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Farm produce	4,344,713	4,894,310
Subsidies	515,581	502,876
Miscellaneous	429,631	447,787
	<u>5,289,925</u>	<u>5,844,973</u>

#### **5. Other operating income**

	2021 £	2020 £
Residential rents	773,084	660,736
Commercial rents	299,256	351,721
Profit on disposal of freehold property	-	7,561
	<u>1,072,340</u>	<u>1,020,018</u>

#### **6. Auditors' remuneration**

	2021 £	2020 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<u>14,000</u>	<u>14,000</u>

## G. H. Dean & Co. Limited

### Notes to the financial statements for the year ended 30 September 2021

#### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	1,297,867	1,419,398
Social security costs	95,639	115,483
Cost of defined contribution pension scheme	26,699	56,134
	<u>1,420,205</u>	<u>1,591,015</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Administration	4	12
Farming	35	48
	<u>39</u>	<u>60</u>

#### 8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	15,000	19,417
	<u>15,000</u>	<u>19,417</u>

#### 9. Interest payable and similar expenses

	2021 £	2020 £
Mortgage interest payable	81,880	102,320
	<u>81,880</u>	<u>102,320</u>



## G. H. Dean & Co. Limited

### Notes to the financial statements for the year ended 30 September 2021

#### 10. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	67,312	-
Adjustments in respect of previous periods	(68,339)	-
	<u>(1,027)</u>	<u>-</u>
<b>Total current tax</b>	<u>(1,027)</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	557,942	497,653
<b>Total deferred tax</b>	<u>557,942</u>	<u>497,653</u>
<b>Taxation on profit on ordinary activities</b>	<u>556,915</u>	<u>497,653</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>3,086,441</u>	<u>2,393,913</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	586,424	454,843
<b>Effects of:</b>		
Non-tax deductible impairment of investments	-	14
Capital allowances for year in excess of depreciation	78,097	24,712
Utilisation of tax losses	(23,542)	-
Adjustments to tax charge in respect of prior periods	(68,339)	-
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	-	(123)
Fair value adjustments not taxable	(560,232)	(467,697)
Book profit on chargeable assets	-	(1,436)
Dividends from UK companies	(7)	(63)
Unrelieved tax losses carried forward	-	4,440
Capitalised costs for which relief against trade profits is allowed	(13,428)	(14,690)
Other differences leading to an increase (decrease) in the tax charge	557,942	497,653
<b>Total tax charge for the year</b>	<u>556,915</u>	<u>497,653</u>

**G. H. Dean & Co. Limited**

**Notes to the financial statements  
for the year ended 30 September 2021**

**10. Taxation (continued)**

**Factors that may affect future tax charges**

Unrelieved farming losses of £43,842 are carried forward and are available to reduce the tax liability in respect of future trading profits.

**11. Exceptional items**

	2021 £	2020 £
Farm business restructuring costs	-	204,996

**G. H. Dean & Co. Limited**

**Notes to the financial statements  
for the year ended 30 September 2021**

**12. Tangible fixed assets**

	Freehold and long-term leasehold property £	Plant and machinery £	Orchards (biological assets) £	Bulk bins £	Sheep flock (biological assets) £	Total £
<b>Cost or valuation</b>						
At 1 October 2020	16,940,846	4,124,090	1,685,734	319,693	175,234	23,245,597
Additions	36,397	229,663	70,671	-	58,227	394,958
Disposals	-	(160,450)	-	-	-	(160,450)
At 30 September 2021	16,977,243	4,193,303	1,756,405	319,693	233,461	23,480,105
<b>Depreciation</b>						
At 1 October 2020	2,887,563	2,404,322	1,076,230	302,894	-	6,671,009
Charge for the year on owned assets	322,584	218,190	97,402	8,634	-	646,810
Charge for the year on financed assets	-	57,622	-	-	-	57,622
Disposals	-	(55,267)	-	-	-	(55,267)
At 30 September 2021	3,210,147	2,624,867	1,173,632	311,528	-	7,320,174
<b>Net book value</b>						
At 30 September 2021	13,767,096	1,568,436	582,773	8,165	233,461	16,159,931
At 30 September 2020	14,053,283	1,719,768	609,504	16,799	175,234	16,574,588

## G. H. Dean & Co. Limited

### Notes to the financial statements for the year ended 30 September 2021

#### 12. Tangible fixed assets (continued)

Included in the value of freehold land and buildings is an amount of £9,225,689 (2020: £9,225,689) which is in respect of 1,594 ha (2020: 1,594 ha) of land comprising farmland, marshland, orchards and land prepared for development. The directors are satisfied that the market value of the land is in excess of its carrying value in the accounts.

All of the fixed assets of the company are used to secure borrowing by way of debentures, fixed charges, floating charges and negative pledges.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Plant and machinery	271,646	329,268
	<u>271,646</u>	<u>329,268</u>

#### 13. Fixed asset investments

	Investments in subsidiary companies £	Unlisted investments £	Total £
<b>Cost or valuation</b>			
At 1 October 2020	30,100	513	30,613
At 30 September 2021	<u>30,100</u>	<u>513</u>	<u>30,613</u>
<b>Net book value</b>			
At 30 September 2021	<u>30,100</u>	<u>513</u>	<u>30,613</u>
At 30 September 2020	<u>30,100</u>	<u>513</u>	<u>30,613</u>

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
G.H. Dean (1920) Limited	Dormant	Ordinary	100%
Blackbird Farming Limited	Dormant	Ordinary	100%

## G. H. Dean & Co. Limited

### Notes to the financial statements for the year ended 30 September 2021

#### 13. Fixed asset investments (continued)

##### Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 30 September 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit £
G.H. Dean (1920) Limited	30,000	-
Blackbird Farming Limited	100	-

#### 14. Investment property

	Freehold investment property £
<b>Valuation</b>	
At 1 October 2020	20,288,243
Surplus on revaluation	2,948,591
<b>At 30 September 2021</b>	<b>23,236,834</b>

The 2021 valuations were made by MWS Bax FRICS FAIV (director), on an open market value for existing use basis.

The historic cost of individual investment properties is unknown as they have been acquired from 1947 onwards in combination with other property used in the trade of the company.

All of the property of the company is used to secure borrowing by way of debentures, fixed charges, floating charges and negative pledges.

#### 15. Stocks

	2021 £	2020 £
Consumables	534,932	244,033
Cultivations	108,954	155,530
Crops in store	2,392,648	1,832,926
Sheep (held for sale)	551	36,225
	<b>3,037,085</b>	<b>2,268,714</b>

## G. H. Dean & Co. Limited

### Notes to the financial statements for the year ended 30 September 2021

#### 16. Debtors

	2021 £	2020 £
Trade debtors	256,169	405,018
Other debtors	1,663,627	1,447,666
	<u>1,919,796</u>	<u>1,852,684</u>

An impairment loss of £47,418 (2020 - £11,664) was recognised against trade debtors.

All of the debtors of the company are used to secure borrowing by way of debentures, fixed charges, floating charges and negative pledges.

#### 17. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	493,945	1,100,505
	<u>493,945</u>	<u>1,100,505</u>

#### 18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	807,542	62,241
Trade creditors	892,157	647,890
Amounts owed to group undertakings	30,100	30,100
Corporation Tax	67,312	-
Other taxation and social security	65,849	100,810
Obligations under finance lease and hire purchase contracts	74,667	74,667
Other creditors	15,176	247,247
Accruals and deferred income	101,395	141,800
	<u>2,054,198</u>	<u>1,304,755</u>

#### 19. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	3,075,567	3,873,735
Net obligations under finance leases and hire purchase contracts	34,103	108,770
	<u>3,109,670</u>	<u>3,982,505</u>

## G. H. Dean & Co. Limited

### Notes to the financial statements for the year ended 30 September 2021

#### 20. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
<b>Amounts falling due within one year</b>		
Bank loan	807,542	62,241
	<u>807,542</u>	<u>62,241</u>
<b>Amounts falling due 1-2 years</b>		
Bank loan	57,542	562,241
	<u>57,542</u>	<u>562,241</u>
<b>Amounts falling due 2-5 years</b>		
Bank loan	2,854,280	2,884,867
<b>Amounts falling due after more than 5 years</b>		
Bank loan	163,746	426,627
	<u>3,883,110</u>	<u>3,935,976</u>

The company has multiple loans with, ultimately, the Royal Bank of Scotland Group plc. These loans total £3,883,110 (2020: £3,935,976) at the year end. The schedule of loan repayments is disclosed in the note, with the final repayment due in 2032. The interest rate for the loans is a mix of 2% and 2.5% above the Bank of England base rate.

#### 21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	74,667	74,667
Between 1-5 years	34,103	108,770
	<u>108,770</u>	<u>183,437</u>

**G. H. Dean & Co. Limited**

**Notes to the financial statements  
for the year ended 30 September 2021**

**22. Financial instruments**

	2021 £	2020 £
<b>Financial assets</b>		
Financial assets measured at fair value through the profit and loss account	513	513
Financial assets that are debt instruments measured at amortised cost	750,114	1,505,523
Financial assets that are equity instruments measured at cost less impairment	30,100	30,100
	<u>780,727</u>	<u>1,536,136</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(5,030,706)</u>	<u>(5,186,450)</u>

Financial assets measured at fair value through the profit and loss account comprise unlisted investments.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and cash.

Financial assets that are equity instruments measured at cost less impairment comprise investments in subsidiary companies.

Financial liabilities measured at amortised cost comprise trade creditors, bank loan, amounts owed to group undertakings, other creditors, finance leases and accruals.



## G. H. Dean & Co. Limited

### Notes to the financial statements for the year ended 30 September 2021

#### 23. Deferred taxation

Deferred tax is provided for at a rate of Corporation Tax at 19% (2020 - 19%) as set out below:

	2021 £	2020 £
At the beginning of the year	(3,300,235)	(2,802,582)
Charged to the profit and loss account	(557,942)	(497,653)
<b>At end of year</b>	<b>(3,858,177)</b>	<b>(3,300,235)</b>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	579,928	610,120
Tax losses carried forward	(5,261)	(33,163)
Investment property revaluation	3,283,510	2,723,278
	<b>3,858,177</b>	<b>3,300,235</b>

#### 24. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
426,954 (2020 - 426,954) Ordinary shares of £0.10 each	<b>42,695</b>	<b>42,695</b>

#### 25. Reserves

##### *Capital redemption reserve*

This reserve records the nominal value of shares repurchased by the company.

##### *Profit and loss account*

The profit and loss account includes all current and prior period retained profits and losses.

#### 26. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £24,353 (2020 - £54,322). Contributions totalling £nil (2020 - £nil) were payable to the fund at the balance sheet date.

## **G. H. Dean & Co. Limited**

### **Notes to the financial statements for the year ended 30 September 2021**

#### **27. Related party transactions**

Radfield Limited is a company which is under the control of the directors. In 2017, the company granted a 29 year lease to Radfield Limited on an arms length basis for an annual rent of £12,200. at the balance sheet date, the amount due to Radfield Limited was £116,190 (2020: £135,610).

Dividends were paid during the year to serving directors totalling £66,600 (2020: £48,400).

Key management personnel includes the directors. The remuneration of key management personnel during the year was £103,412 (2020: £96,292).

#### **28. Controlling party**

The company is controlled by the shareholders. There is no ultimate controlling party.